Curtin Business School

Public Sector Reform in Western Australia

The Role of Chief Executive Officers in
Leading Cultural Change in Their Organisations

Garrick Norman Stanley

This thesis is presented as part of the requirements for
the award of the degree of Doctor of Philosophy
of the Curtin University of Technology

June 2001

Abstract

The last two decades of the twentieth century saw unprecedented change in the Western Australian public sector. Legislative reform, royal commissions and new policies aimed at enhancing public sector accountability, transparency and efficiency have served to highlight the critical role of CEOs in delivering change. Underpinning sustainable organisational change is cultural change, which in-turn is most effectively driven by a transformational leadership style. There has been little research into CEOs' perceptions of their role in leading cultural change in their organisations. This thesis details an exploratory study of WA public sector CEOs. It discovered that CEOs identified with elements characterising the theoretical construct of a transformational leader. They perceived cultural change as the re-alignment of organisational values and behaviour with mission, government and community expectations, efficiency and effectiveness. CEOs actively deployed a number of strategies to bring about cultural change but were uncertain about the extent which substantive cultural change was taking place within the public sector. Factors they saw as impacting on their capacity to lead such change included the Government's policy agenda, management theory and potentially, peer support. CEOs who participated in the study were predominantly career public servants, male, over the age of fifty, had worked exclusively in the public sector and only led a small number of organisations. They had mixed views about the impact of · such demographics on a CEO's capacity to effectively lead cultural change citing situational factors and personal attributes as being significant variables. There were a number of clear findings from the study that have significant, practical implications for the public sector. CEOs would benefit from a government that communicated a stronger sense of vision about the future directions of the sector. CEOs require structured opportunities to enhance their competencies in the leadership of change and incentives to commit to change agendas that may extend well beyond the tenure of their employment contracts. Finally, CEOs cannot effectively transform organisational culture without support from other leaders and strategic plans that take account of emerging demographic shifts in the workforce that will inevitably impact on staff values, behaviours and expectations.

Acknowledgments

Contents

CHAPTER THREE   **Methodology**

CHAPTER FOUR   **Standardised Research Validation Interviews**

CHAPTER FIVE   Survey Questionnaire

CHAPTER SIX   In-depth Interviews

CHAPTER SEVEN   Research Summary and Conclusions

CHAPTER EIGHT   Implications of Research Findings

Diagrams

Graphs

Tables

Appendices

CHAPTER ONE

Introduction

1.1 Introduction

In the early stages of data collection for this doctoral research, chief executive officers (CEOs) in the Western Australian public sector were asked to what extent they regarded leadership of cultural change within the public sector as an important part of their role. The response was uniform and emphatic. It demonstrated a clear understanding by the State's most senior public officers that they should actively take charge of their organisation's destiny, at a time of unprecedented change. Their values and commitment are typified in the quotations[1] below:

> Leadership for CEOs is not everything it is the only thing. It is fair to say that it is the CEO's job to align the culture with the vision.

(Survey Response)

> ...because if they don't lead cultural change, the organisation will not in fact be able to achieve the outcome. Everybody has recognised that one way of achieving change is to focus on its cultural element and unless the CEO focuses on it and drives the change and sets the example, it won't happen.

(Interview Response)

This study is founded on the proposition that during times of sustained change in the public sector, CEOs as legislatively mandated leaders, are implicitly key figures in determining their organisations' culture. The thesis investigates the role of chief executive officers in the leadership of cultural change in Western Australian, public sector organisations. It draws on literature describing organisational culture and transformational leadership and applies it in a specific work context. By doing so, it hopes to contribute to an understanding of chief executive officers' perceptions of and practical approach to, the leadership of cultural change in the public sector.

---

[1] Quotations sourced to survey and interview field data are not specifically attributed. This is in accordance with the ethical requirement of the study for participant confidentiality and anonymity (see p. 9 'Parameters of the Study'.

In this exploratory study, the researcher has no prior assumptions about chief executive officers' understanding of organisational culture or the nature and extent of the role they might play in its change.

New information and original evidence will be gathered and considered as a basis for contributing to a body of knowledge on a topic not previously addressed in Western Australia. As such, it is anticipated that the study will fulfil a primary objective of Doctoral research (Curtin University of Technology 1998).

The research questions were designed to elicit chief executive officers' views on the general nature of organisational leadership and the more specific application of such leadership to cultural change in public sector organisations. Linked thematically and sequentially to these questions is the exploration of specific strategies that chief executives might adopt in order to bring about cultural change, and the extent to which they regard this type of leadership behaviour as part of their role.

The primary research questions are:

1. What do chief executive officers believe are the important characteristics of leadership in the Western Australian public sector?

2. What do chief executive officers understand by the concepts of organisational and cultural change in public sector organisations?

3. Do chief executive officers apply specific, transformational strategies to bring about cultural change in their organisations?

4. Do chief executive officers regard the use of transformational strategies to bring about cultural change in their organisations as an important part of their role?

The research was carried out in a number of phases. The first phase was a critical review of literature on the generic characteristics of organisational culture and the most important, transformational strategies most commonly deployed by the leaders of cultural change in their organisations. The seminal work of Schein (1992) formed the foundation for this aspect. Documentation on major changes in the Western Australian and Australian (Commonwealth) public sectors, pertinent to

organisational culture and transformational leadership, was investigated concurrently.

Phases two, three and four were interdependent, field research phases. They involved the use of inductive information-gathering techniques to discover how chief executive officers saw their role in leading cultural change in their organisations.

Each of the field research phases were followed by in-depth analysis of the data. This led finally to a discussion of the major findings and their implications for CEOs as they lead their organisations into the new millennium.

1.2 Rationale

The advent of a new millennium is of more than just temporal significance to a study focused on leadership, organisational cultures and changes in public sector administration. The 1st of January 2001 marked 100 years since the people of Australia's six colonies were united into a federal commonwealth: the Commonwealth of Australia. At the State level, the year 2004 will mark 100 years since Western Australia's system for 'the organisation, classification and control of the various branches of the public service throughout the State' (*WA Parliamentary Debates* 1904, p.546) was first promulgated in legislation. Given this context, a year 2000/2001 *snapshot* of how our most senior public officers perceive and enact their organisational role as leaders of change is historically significant. It may also be valuable in informing the future development and direction of leadership in the Western Australian public sector.

In the period between the 1902 Bruford Royal Commission, the subsequent establishment of the Public Service Act in 1904 and the reforms of the Burke government commencing in the early 1980s, there was no significant administrative review process or change in the public sector (Hollier & Peachment 1990; Zafarullah 1991). In contrast, the past two decades have been characterised by ongoing transformation. This has also been reflected at the Australian public sector level.

Outside of legislative review and position papers, such as the 1986 *Managing Change in the Public Sector* parliamentary white paper, there have been few attempts to capture the nature of organisational reform in the public sector and the role of CEOs in it. Commentaries describing underlying cultural change in organisations and CEO leadership are even rarer to find. Insights mainly come from inferences

that might be drawn from clauses or isolated references within government documents such as:

- *Public Service Act* 1978;

- *Public Sector Management Act* 1994;

- *Chief Executive Officer: Performance Agreement Guidelines and Approved Procedures,* 1996;

- *Public Sector Standards Commission Code of Ethics,* 1996; and

- *Accountability in the Western Australian Public Sector,* 1998.

The public sector's review of its own major change agenda needs to be treated cautiously (Campbell 1969). Where government has committed itself in advance to the efficacy of organisational reform it is often difficult for it to approach its analysis and evaluation objectively. Rigorous, independent perspectives, developed without concern for political or economic recrimination, are necessary if public sector reform processes are to be well conceived.

The many decades of dormancy in the administrative and organisational structure of the public sector were reflected in and influenced by the unchanging nature of public service culture (Caiden 1990). In contrast, there has been a rush for reform during the past twenty years, reflected in new structures, financial management frameworks and service outcomes. This, however, has not been accompanied by a vision for a new public sector organisational culture.

Cultural change, an integral part of effective and sustainable organisational change, is seldom recognised or given priority but is usually seen as an adjunct or by-product of other strategies. Strategically, what does a CEO need to attend to if he or she is to bring about cultural change? Are some approaches more appropriate than others in terms of the particular leadership style of the CEO and the particular developmental phase of the organisation? How long will sustainable change take and how will the CEO know when it has been achieved?

It is important, therefore, that empirical studies be undertaken to identify the characteristics and status of change in the Western Australian public sector, and to understand how CEOs' see their role in the change process. Such information may then inform future administrative policy and executive development initiatives. The

research might lead to further specific studies on the effectiveness of CEOs' management of cultural change in their organisations and also provide a basis for more specific research hypotheses.

1.3 The Context for the Study: The Western Australian Public Sector

This study specifically focuses on the Western Australian public sector. The definition of the *public sector*, which is included in section 1.5 of this Chapter, was set in the *Public Sector Management Act* 1994. This Act came into force on 1 October 1994, and while highly technical and complex (Fielding 1996), provides the statutory framework for the administration of public affairs in Western Australia. The phrase *public sector* is broad in its scope and encompasses all those agencies, ministerial offices and other bodies that have been established under some written law of the State.

The Government of Western Australia is the largest single employer in the State, employing approximately 16% of all wage and salary earners (see Graph 1.1). As of June 1999 this amounted to 87,886 full time or equivalent employees. An additional 406 officers are also contracted as members of the public sector's Senior Executive Service (Ministry of Premier and Cabinet 2000).

The ten largest agencies employ approximately 78% of the Western Australian public sector workforce (Ministry of Premier and Cabinet 1999).

Graph 1.1

Employment in WA as at June 1999

(Ministry of Premier and Cabinet 1999, p.2)

5
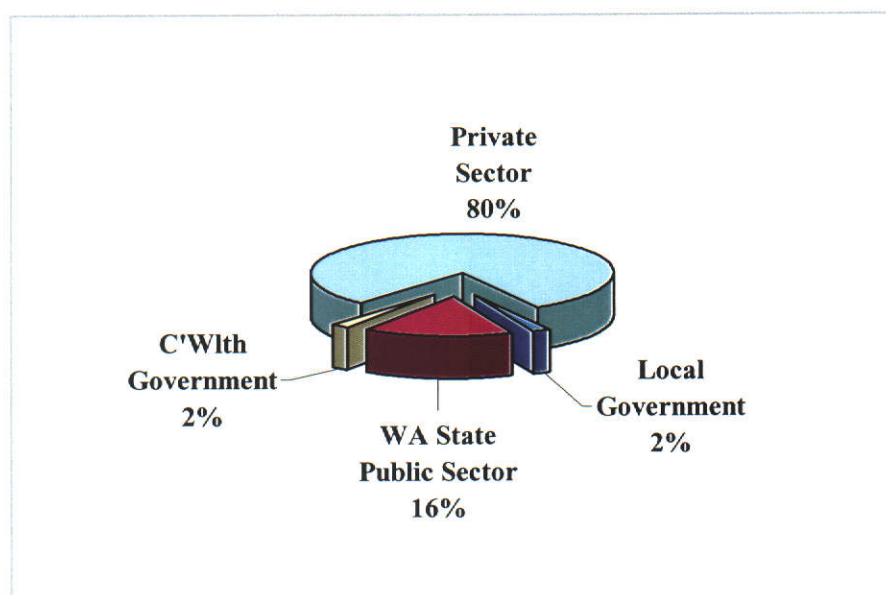
Public sector organisations are subject to the control of a Minister of the Crown; their purpose is to produce outcomes for the Government. Public sector organisations are funded and independently audited on the basis of the outputs (goods or services) produced. The *1999-2000 Budget Statements* (Government of Western Australia 1999) identify 81 Government-funded agencies, delivering 134 outputs to the Western Australian community.

Functionally, public sector organisations range from central agencies that have cross-government policy development and regulatory functions, to agencies with community service obligations and others that operate on a 'purchaser pays' or quasi-commercial basis.

A small number of independent agencies have *watchdog* functions and report directly to the Parliament. Their role is to monitor and review the activities of the public sector to ensure that community expectations for the conduct of public administration are fulfilled.

The role of the chief executive officer is defined in the *Public Sector Management Act* 1994 and CEOs are appointed and accountable according to provisions within the Act. CEOs are the *accountable officers* for the performance of government agencies. *The Corporate Governance Guidelines for Western Australian Public Sector CEOs* (Ministry of Premier and Cabinet 1999a, p.3) provides this summary of the role which is the focus of this study:

> Government places significant trust in its Chief Executive Officers and provides them with the power necessary to properly manage their agencies to achieve required outcomes. These required outcomes include: effective resource management, effective delivery of public services, agency compliance with the various requirements and keeping the Minister adequately informed.

1.4 Research Approach

This study deployed multiple approaches in both primary data gathering and data analysis. Two semi-structured, open-ended interview instruments and a survey questionnaire were developed for gathering field data.

Analysis of the questionnaires included quasi-quantification, using terms like 'many', 'most', 'often' and 'hardly ever', as means of summarising ideas and some quantification relating to demographic data.

Manual techniques were utilised in classifying, sorting and combining rich, descriptive field information and in the construction of concepts.

The three-phased approach used to gather field data on the role of chief executive officers in leading cultural change in WA public sector organisations can be summarised as follows:

Standardised, Research Validation Interviews

Semi-structured, open-ended interviews were conducted with a sample of senior officers. The intent was to test the contextual validity and relevance of the key themes and terminology from the literature review within the unique environment of the executive levels of the Western Australian public sector.

The primary data gathered in phase one was used to refine the research dimensions, questions, concepts and phrasing of the key preliminary ideas.

Survey Questionnaire

A survey questionnaire was then consequently developed and distributed to the total cohort of WA public sector CEOs. Through the use of semi-structure and open-ended items the questionnaire sought to identify common themes and concepts that might emerge in response to the primary questions within the study.

In-depth Semi-Structured interviews

In-depth, semi-structured interviews with a sub-sample of CEOs was the third and final phase of primary data collection. Interview questions were based on the emergent, preliminary findings from the survey questionnaire and were aimed at developing deeper and broader levels of conceptual understanding and theory development.

1.5 Definition of Key Terms

Certain terms are critical to the understanding, analysis and evaluation of this study. These terms are defined in Table 1.1 on page eight and are linked to the specific context of this research topic.

Table 1.1

Definition of Key Terms

Term	Definition
Chief Executive Officers (CEO)	Persons appointed by Government, on the recommendation of a Minister to be responsible for managing a public sector organisation; they are the accountable officers for achieving organisational outcomes. (Western Australian *Public Sector Management Act 1994*)
Public Sector Organisations	Agencies, offices, bodies, continued for public purposes under written law. (Western Australian *Public Sector Management Act 1994*)
Culture	A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems. (Schien 1992, p.12)
Cultural Change	One of the ways an organisation preserves its integrity and autonomy, differentiates itself from the environment and other groups, and provides itself an identity. (Schien 1992, p.298)
Transformational Leadership	Serves to change the status quo by appealing to followers' values and their sense of purpose. Transformational leaders articulate the problems of the current system and have a compelling vision of what a new society or organisation could be. Hughes, Ginnett & Curphy 1996, p.280)
Transformational Strategy	A planned action deployed [by the chief executive officer] to bring about a change in the prevailing culture.

1.6 Parameters of the Study

Given the relatively small size of the Western Australian public sector, the ethical requirement to maintain confidentiality and anonymity for the participants in the study was essential but very challenging to achieve. While the questionnaire respondents and interviewees were extremely forthright and generous in the information and opinions provided, it could be assumed that some of them were guarded in their responses. It is possible that although quotations are presented randomly and anonymously, some senior officers in the public sector, or other stakeholders, might be able to source those views accurately to a particular CEO.

In exploring the role of the CEO in leading cultural change in the public sector the study focuses primarily on the perceptions of CEOs themselves. The unique leadership style and values of the CEOs, their career experiences and their current roles will have shaped these personal perceptions. No attempt is made to generalise from these perceptions or make judgements about the relationship between the perceptions and the effectiveness of change in the various organisations. Such matters would make excellent hypotheses for future studies.

1.7 Structural Overview of the Thesis

The thesis is structured as follows. Chapter One explains the rationale and context for the study and details the topic and key research questions. Chapter Two reviews the literature on reform in the public sector and cultural change in organisations, with a particular focus on the public sector. The themes that emerged from the literature review also form the basis for the approaches to the field data collection and analysis.

Chapter Three provides an overview of the methodology used in the study while Chapters Four, Five and Six describe the sequence of specific field data collection techniques, data collection, processing, analysis and conclusions.

Chapter Seven integrates the findings from the field data collection procedures and draws overall conclusions relating to the primary research questions and the demographic data gathered from the sample.

Chapter Eight discusses the implications that flow from the research findings for CEOs and the Western Australian public sector in general.

CHAPTER TWO

Literature Review

2.1 Introduction

Given the exploratory nature of this study, the primary research questions introduced in Chapter One expose a range of matters that are not generally encapsulated in any one body of literature. CEO perspectives on leadership and cultural change in the Western Australian public sector are very localised, contemporary and not generally the subject of formal research.

While there is a diverse range of documented information that illustrates the broad scope of the research questions it is, in some cases, of inferential relevance.

Perspectives on transformational leadership, organisational culture and change are well covered in international literature.

The review of literature will commence with the coverage of the contextual factors that have made CEOs' leadership of cultural change in organisations a pivotal component of public sector reform.

Attributes of organisational culture, cultural change and the primary strategies deployed by CEOs to bring about change will also be identified. These attributes will then be applied specifically to the Western Australian public sector.

2.2 Public Sector Context for Reform

Historic Determinants

The colonial or early legislative base of Western Australian's current public sector left a legacy of cumbersome structures, historically constructed around internal and hierarchical reporting relationships rather than community service (McCullagh 1991). Pre federation reforms in Australia have been characterised as coming in three waves, the first beginning in the 1850s, the second in the 1870s and the third in the 1890s (Hollier & Peachment 1990).

There were only two significant public sector reform initiatives during the first seven decades of the twentieth century (Hollier & Peachment 1990; Zafarullah 1991). The first was the Bruford Royal Commission in 1902. It proposed schemes

for general classification and recruitment in the public service. The impact of this commission in effecting change was minimal.

The second reform initiative was the creation of the *Public Service Act* in 1904 to deal with the organisation, classification and control of the various branches of the public service throughout the State (Western Australia 1904, p.546).

It was not until 1978 that the inaugural Act, which dealt primarily with the regulatory control of the various branches of the public service, was repealed and replaced by the *Public Service Act 1978*. The new Act was to provide a more flexible charter for fostering more contemporary management and personnel techniques. In his second reading speech, the Premier Sir Charles Court said:

> Public Service management has much in common with commercial business management. In both cases the essential features are the ability of the organisation or group of organisations to adapt readily to changed circumstances and to react in a quick and decisive fashion to the requirements and directives of the controlling authority —in this case, the Government
> (Western Australia 1978, p.2473).

Evidence of the Government's commitment to reform the administrative culture of the public service at the time, was illustrated by the following features of the Act:

- elaboration of the powers of the Public Service Board in order to promote efficiency and economy in the public service;
- replacement of seniority with merit and efficiency, as a basis for promotion; and
- abolition of the requirement for women to seek approval to continue in the public service upon marriage.

The late 1970s saw the emergence of strains and ferment in the public sector that are still evident today. The appointment of commissions of inquiry into the public services of the United States, Canada, Great Britain, New Zealand and Ireland (Coombs 1976) revealed public administrations with a limited capacity to support their country in dealing with changing national and international conditions. In the Australian context Caiden (1990, p.40) identified a range of worsening administrative issues that could no longer be ignored. Some that were of

particular relevance at the State level included:

- inadequate assessment of quality, productivity, efficiency, effectiveness, fraud, waste and abuse of position in the public sector;
- bureaucratic inertia, conservatism and complacency at the top and indifference, insensitivity and carelessness at the bottom;
- lack of administrative accountability and responsibility;
- low morale and work satisfaction in the public services together with low public esteem and poor self image; and
- lack of public participation and involvement.

The accumulative effect of new pressures proved to be substantial, placing the public sector under even greater stress. Wanna, O'faircheallaigh and Weller (1992, pp.4-7) identified the following pressures underlying the need for reform:

- declining belief amongst public servants about the beneficial role of the State;
- challenge in the political sphere about the size of government;
- political pressures on public service agencies were becoming more pronounced; and
- increasing public demands on individual managers for accountability.

In response to such issues and pressures, governments around Australia commenced the systematic review of public sector structures, administrative arrangements and processes. The reviews aimed to revitalise the sector and improve its relevance and capacity to respond to a service environment that had changed massively since federation.

The *Royal Commission on Australian Government Administration*, chaired by H.C. 'Nugget' Coombs, and completed in 1976, provided the groundwork for the transformation of the federal bureaucracy (Caiden 1977). It was established with the very broad objective of identifying problems and weaknesses in the system of Australian government administration and 'to propose action which will contribute to solving the problems and overcoming the weaknesses' (Coombs 1976, p.8).

The creation of the Royal Commission was a strong and explicit expression of a need for significant change in public administration at the national level (Coombs 1976, p.3):

> The terms of reference of this Commission are as broad as any in recent history for an inquiry into any similar style of government. They reflect a growing awareness of the need to adapt the national public administration to

the needs of contemporary government and they provide the framework for fundamental rethinking of administrative principles and practices.

The Commission recommended significant reform in the following areas of public administration:

- defining the responsibility of officials and the establishment of a means by which they are held accountable;
- reforming the relationship of officials to ministers and officials to the community;
- reviewing the organisation of departments to provide face to face services to the public and to improve the efficiency of access and delivery;
- devolving responsibility and decentralise the focal point of decisions;
- enhancing efficiency and economical use of manpower; and
- ensuring employment mobility, a responsiveness to social change and accountability for the performance of officials.

The Royal Commission's report was criticised by some for not adequately addressing key issues such as accountability (Reid 1976) and suspected by others (Parker 1976) as not likely to impact on normal policy making and administration. The report did, however, provide a basis for future reforms in Australian public service procedures (Hawker 1977) and establish a point of reference for States considering changing their administrative styles (Bakewell 1976).

The immensity of the challenge to reform public administration was not lost on Coombs, who shortly after the release of the Royal Commission's report, is quoted as saying in a speech that:

> If no attack is made on the root causes and manifestations of bureaucratic inertia, no amount of law changing, structural rearrangement, staff shuffling, retraining, ideas wrangling, will have any real or lasting impact. There is little point introducing forward estimates if nobody intends them to work, or unifying federal administration if autonomous segments insist on their independence, or devolving powers and thrusting new responsibilities on agencies if they fail to perform adequately those they have already. Why bother to go through upheavals and dislocations in reforming the federal bureaucracy if the same conservative time-servers and arrogant power aggrandisers monopolise senior positions? The RCAGA's recommendations are a necessary prelude to the transformation in the federal bureaucracy that is

needed if bureaucratic inertia is to be overcome, if public officials are to tackle real problems and not to retreat into unreal Canberra paper-fighting, if they are to demonstrate their productivity and the worth of their contribution to Australian society, if they are to be properly accountable for the power they exercise, if critical decisions are not to be taken by default and bad mistakes covered by a welter of jargon, generality and games playing, if instead devoting themselves to justifying why nothing can or should be done differently and frittering away precious resources, energy and initiative in fruitless exercises of self-preservation and self-justification, covered by secrecy and deceit, they actually asked themselves just exactly what they are doing, why they are doing it, whether what they were doing was worthwhile, and whether they could do things better and differently.

Caiden (1977, p.16)

The Burke Labor Government

A distinctive commitment to innovative management reform in the Western Australian public sector emerged with the election in 1983 of the Labor Party into government (Moon & Fletcher 1988). Under the leadership of Brian Burke, the Labor Party had run an election campaign that included a strong commitment to administrative reform in the public sector. Deputy Premier Malcolm Bryce later explained the change of administrative direction:

> The qualitative shift was that in 1983 this group of young professionals[1] had
> no qualms about securing the best talents, whether it be in academe, in
> industry, commerce, the banking system, the public service, the media, or
> wherever, and bringing those people into the process of government.
>
> That was the change of style that blew the cobwebs out sideways... We
> modernised the public service without a royal commission. We brought
> modernisation in with a bulldozer... modern management techniques, modern
> information systems (Hamilton 1988, pp.135-136).

The new Government's commitment to short term financial reform in the public sector, to eliminate inefficiency, and to set an example to the community was realised within six months of taking office.

---

[1] The new Government developed a team of advisers on special contacts that included ministerial advisers, ministerial officers and research officers.

A number of austerity measures were instigated including:

- pay cuts for four per cent of the State's Government employees, including ten per cent pay cuts for senior government officers, the Governor, the Chief Justice and judges;

- a cut of 1000 government employees and a 50 per cent reduction in the replacement of retiring employees; and

- a severe reduction in the Government's vehicle fleet; and

- the introduction of a range of efficiency measures including performance budgeting for some departments, greater control over purchase orders and wider review of the Government's spending priorities.

The nature and sustainability of the Government's longer-term strategic intent for reform began to emerge with the establishment of a Functional Review Committee in 1983. When launching the review, the newly elected Burke Government proclaimed that:

> The State Government is to undertake the most wide ranging review of Government functions and services in the State's history…The review is expected to make a major impact on the scope and direction of State Government activity well into the next century (McCullagh 1991, p.118).

Premier Burke used an unusual metaphor (Hamilton 1988, p.134) to describe the challenge government faced in reforming public administration in Western Australia:

> Imagine a ball of wool ten feet high with just one end sticking up: you try to snap off one or two inches, but what happens is that the ball of wool just piles on top of you and smothers you as it unravels. That is what it is like. Sometimes I think it is going to take two lifetimes to rearrange and order things.

The Functional Review Committee operated for seven years and conducted ninety-seven reviews impacting on most public sector agencies. The Review focused on the efficiency and effectiveness of the public sector with a view to recommending to the Premier functions that might be rationalised, downsized or abandoned. Most agencies that were examined changed significantly through restructures, shifting focus and in some cases the demise of particular functions (McCullagh 1991).

The first significant product of the review was the Western Australian Government's 1986 position statement, *Managing Change in the Public Sector* (Government of Western Australia 1986). This statement, presented by Premier Burke, is unique in its holistic attempt to address the cultural and management reform of the public sector, as a response to significant social and economic change.

Managing Change in the Public Sector was founded on key principles for public sector reform. These are summarised in Table 2.1 as follows:

Table 2.1

Key Principles for Public Sector Reform

Principle	Amplification
Ethos of Change	Public sector organisations must be re-oriented to a view that embodies an ethos of change so that they can be responsive to the likelihood of ongoing change.
A Quality Service Responsive to Community Needs	The public sector must become more adept at interpreting changing community needs and adapting service programs.
Accountability And Responsibility	Public sector organisations must have the nature of their accountability to Government defined.
Results Achieved Through People	The ability of the Government to achieve its objectives depends almost entirely on the quality of its workforce.
Structural Flexibility	Management structures that are flexible and adaptable and allow for prompt deployment of resources.
Whole of Government Approach	Administration of Government requires a 'whole-of-government' approach so that decisions and perspectives can relate to the overall directions and priorities of Government.
Need for Overview	An overview of priorities should provide the basis for a strategic approach to decision making – provides a vision, unifies activities in a common purpose, gives meaning to work for employees, provides a basis for determining career options.
Implementation	Process of change must be planned with care.

The clear message in the position statement was that significant, sustainable change would require a fundamental shift in public sector organisational culture. This would entail a shift from a public sector that was inherently conservative to one where the ongoing acceptance of change becomes part of the organisational culture and is espoused in the values of adaptability and flexibility.

Significant changes during this period contributed to a change in organisational culture, included broadbanding[2], structural efficiency, the introduction of program management, a sector wide Senior Executive Service and the development of corporate planning.

Reform in the 1990s

In 1995 candid interviews were conducted with twenty-one Australian Public Service (APS) secretaries (Halligan, Mackintosh & Watson 1996). They were asked to comment on and interpret the significant changes that had occurred in the public service in recent times. The group considered the 1990s to be a period of consolidation for many of the changes initiated in the 1980s. They also regarded the period as one of changing emphasis from formalised rules, structures, accountability mechanisms and traditional process administration to a focus on service outcomes and results.

The APS secretaries saw the direction of public sector change as primarily relating to the following key aspects:

- competition;
- contracting out;
- contestability;
- contract employment;
- client focus; and
- core business.

The CEOs believed that with the speed of organisational change, the complexity of policy issues and the increasing accountability required for expenditure, their leadership was more essential than ever. These observations stand in contrast with an earlier Australian public sector, characterised as having an unchanging bureaucracy for the better part of a century (Caiden 1990).

---

[2] Broadbanding was the process of establishing the generic classification of positions and levels across the public sector in order to enhance the mobility and transferability of people across organisations.

During the 1990s a number of commissions and legislative reforms contributed to the ongoing scrutiny of the Western Australian public sector. The desire of the Labor Government in the 1980s to have greater efficiency and financial accountability in the public sector was supported in the 1990s by the new Liberal Coalition Government.

The focus on the accountability of government was further sharpened through the investigations and recommendation of the Commission on Accountability (Government of Western Australia 1989). It was established in response to concerns about a lack of public scrutiny of and accountability for a growing level of investment activity being conducted by public agencies, which were not subject to the Financial Administration and Audit Act.

The primary term of reference for the Commission on Accountability was to: 'Aid the implementation of government policy to increase public scrutiny of government investment activities and "to improve accountability" '(Government of Western Australia 1989, p.2).

The work of the Commission in exposing Government's vulnerability when investing in the commercial arena, added impetus to a growing demand for administrative reform in the Western Australian public sector. A key recommendation from the Commission would provide an important direction for the future definition of agency accountability and the transparency of their activity to the Parliament:

> No government agency be permitted to conduct operations in a manner or to enter into any agreement which contains a provision which would prohibit that agency or the responsible Minister from providing to parliament information as to its operations or the contents of that agreement in such a manner and to the extent that the Minister sees fit.
>
> (Government of Western Australia 1989, p.25)

The Royal Commission Into Commercial Activities of Government and Other Matters (Government of Western Australia 1992) resulted from the conduct and practices of certain persons including ministers, senior public officials and members of the private sector, over the period from 1983 to 1989, that had placed the government system at risk. The terms of reference of the Commission were to inquire and report as to whether there had been any corruption, illegal or improper

conduct in dealings within the Government of Western Australia over the preceding seven years.

Amongst the Commission's forty recommendations that were put forward to the Governor Sir Francis Burt, several were to significantly impact on the administrative reform of the public sector. These were (Government of Western Australia 1992, pp.14–15):

- The Government give consideration to the introduction of a Public Sector Management Act;

- A Commissioner of Public Sector Standards be established whose jurisdiction extends to all departments and agencies of government; and

- A Commission on Government be established.

The eventual fulfilment of these three recommendations would have a major impact on the role of chief executive officers in the public sector, administrative practices and standards.

The Commission to Review Public Sector Finances 1993 had a very extensive brief to comprehensively review the State's finances and make recommendations on future financial management arrangements for public sector agencies. The Commission recommended that government should concentrate on defining, resourcing and monitoring outcomes for the public of Western Australia, and devolve responsibility and accountability for financial management from ·the Treasury to service agencies (Commission to Review Public Sector Finances 1993).

It was this Commission that substantially shifted the public sector's financial and accountability focus away from the provision of programs of work to the delivery of specific outcomes to the public of Western Australia. The delivery of such outcomes was to be the responsibility of CEOs.

Given the growing impetus for change since 1983, it was almost inevitable that the legislative basis for the management of the State's public sector would need to be radically overhauled. In his Second Reading Speech to the Public Sector Management Bill *1993* (Western Australian Parliament 1993, p.2), the Premier, Richard Court, identified the need to address long standing deficiencies in the

existing *Public Service Act 1978* and problems identified by the Commission on Accountability 1989 and the Royal Commission 1992. He said:

This Bill is about good management, accountability, official conduct and integrity in government. It is also about laying the groundwork for standards of equity, merit and probity which will apply right across the public sector.

The resulting *Public Sector Management Act 1994* (Western Australian Parliament 1994) articulated for the first time the role of CEOs and requirements for CEO performance agreements and contracts. To this day it is this Act that provides the legislative basis for CEOs' leadership of public sector organisations in WA.

While the *Public Sector Management Act 1994* sought to redress long standing deficiencies in public sector administration its implementation did not quell the drive for reform. The Review of the Public Sector Management Act 1996 was established to review the effectiveness of the Act, which at that stage had been operating for less than two years.

In the Review (Fielding 1996, p.10), Commissioner Fielding concluded that the legislation was unusually complex which was probably a response to a public sector which was arguably the most complex in Australia. He recommended that steps be taken to reduce the number of State departments as a means of improving the efficiency of service delivery:

I recommend that steps be taken urgently to reduce both the number of . departments of State and statutory authorities in the State with a view to improving the efficiency of service delivery and administration of the sector generally. Until there is a sufficient restructure of machinery of government it will be impossible to produce public sector management legislation which is other than complex.

Also, of particular relevance to this study, the *Review of the Public Sector Management Act* (Fielding 1996, p.4) recommended the repeal of a CEO selection process that was: 'convoluted and time consuming and in the case of the reappointment process, potentially ignominious'[3].

---

[3] Subsequently, the Kelly Working Party was established (Kelly 1997) to provide specific recommendation to the Government on the legislative changes proposed by Fielding. None of Fielding's or Kelly's recommendations resulted in any amendments to the Public Sector Management Act (Roche 2001a, personal E-mail, 23 April). Also see Chapter Eight p.167.

Perhaps most significantly in terms of the agenda for reform in the Western Australian public sector, the Commission on Government (COG) 1996 was set up to specifically consult the public on reforms to the system of government and public administration. COG ran for two years and made some 265 recommendations aimed at increasing openness and preventing corruption in Government.

COG observed that Governments have moved away from process oriented practices, refocussing government activity on outcomes. Contracting out, commercialisation, corporatisation and privatisation were all identified as being part of this reform process.

Leadership was singled out as an essential component of developing an effective, ethical culture within public sector organisations. The Commission on Government (1996) maintained that:

> To develop an effective, ethical culture within an organisation, it is suggested that exemplary actions and conduct from leaders are critical. A leader who is seen to be a champion of ethical culture, sends a powerful message to staff and clients of that organisation (p.128);
>
> and
>
> the development of ethical conduct should be an important component of the responsibilities of a Chief Executive Officer (p. 230).

In his personal review of the implementation of the Commission on Government recommendations, Commissioner F.J. Harman (1999, p.21) concluded that:

> The recommendations of the Commission will stand as the first point of reference for any consideration of future reform in the public sector of Western Australia. Institutions and policies implemented may not follow the recommendations to the letter, but any proposal directed at the goals of accountability will reflect the direction set by the Commission.

A final contribution to the contextual setting for public sector reform in Western Australia can also be found in a range of recently published public sector documents. Collectively these documents set out a number of the accountability obligations for CEOs. As well as guiding CEO decision-making they improve the

communication and transparency of the Government's expectations for public sector administration.

Published by the Ministry of Premier and Cabinet, these documents include: *Accountability In The Western Australian Public Sector* (1998); *Corporate Governance Guidelines For Western Australian Public Sector CEOs* (1999a); *Fraud Prevention In The Western Australian Public Sector* (1999b); and *Guidelines For Managing Risk In The Western Australian Public Sector* (1999c).

In summary the agenda for the reform of the Western Australian public sector only began to emerge in the late 1970s, as a response to a rapidly changing social, economic and political environment. From that time all governments, through a combination of legislative reform, commissions and reviews, have pursued the modernisation of public sector administrative practices. Table 2.2 summarises the major Western Australian public sector reform milestones since federation:

Table 2.2

Major Reforms in the Western Australian Public Sector

Milestone	Reform Aspects
Bruford Royal Commission 1902	• whole-of-government classification • personnel administration and work practices
Public Service Act 1904	• regulatory mechanisms for branches of the public service
Public Service Act 1978	• contemporary management and personnel techniques
Functional Review Committee 1983	• efficiency and effectiveness of the public service
Managing Change in the Public Sector 1986	• principles for public sector reform • holistic view of public sector culture
Commission on Accountability 1989	• public scrutiny and accountability
Royal Commission Into Commercial Activities of Government and Other Matters 1992	• corruption, illegal or improper conduct
The Commission to Review Public Sector Finances 1993	• financial management arrangements for public sector agencies • focus on outcomes
Public Sector Management Act 1994	• management, accountability, standards, CEO leadership
The Review of the Public Sector Management Act 1996	• reducing the complexity of public sector administration
Commission on Government 1996	• broad based reform to the system of government and public administration

2.3 The Financial Imperatives for Public Sector Reform

Pre 1970s governments appeared able to expand their activities and share of State and Federal resources very significantly (Coombs 1976). The 1980s, however, ushered in a period where there was a community expectation and political pressure for public sector agencies to provide more and better services with fewer resources (Keating 1988a; Wanna, O'faircheallaigh & Weller 1992).

The financial imperative for a much more efficient public sector had added a very significant and sustainable impetus to government's reform agenda and agency leadership processes. Reform has taken place on a number of parallel fronts. Halligan (1997), in an analysis of public sector reforms in OECD countries, identified commercialisation, improving financial management, corporatisation and privatisation as major components of public sector reform in Australia.

One major example of economic reform which touches on all the above components is that associated with the National Competition Policy Review (Hilmer 1993). This review led to the *Competition Policy Reform Act* (Cwlth) *1995* and State legislation that requires all public sector business activities to operate according to competitive practices and rules that apply in the public sector.

Clarke and Corbett (1999) anticipate that National Competition Policy will result in major public sector change including:

- a profound shift in the ethos and culture of the public sector with agencies being driven by imperatives and incentives similar to the private sector; .
- major structural changes including the break up of integrated public utilities into separate competing businesses;
- greater emphasis on contract management and a separation of core business and community service obligations; and
- a liberalisation of employment practices including greater flexibility of employment conditions foused on contractualisation.

At the same time as Hilmer's National Competition Review, the Commission to Review Public Sector Finances (1993) under the chairmanship of L. McCarrey, was reporting its findings in Western Australia (see p.19).

The regulatory impacts of these financial reforms, as typified in the Hilmer and McCarrey reviews, have proven to be substantial for the CEOs of public sector agencies. Across Australia governments are moving to delegate financial

management powers, set out in performance agreements, to manage budgets linked to specific service outcomes that have been agreed with government.

From a management or leadership perspective, financial reforms have necessitated that CEOs become strategically and people focused (Keating 1988b), transparent and publicly accountable in their planning. To varying degrees they are also required to be creative and flexible in response to the constant pressures for greater agency efficiency in the delivery of services.

One Commonwealth public service secretary (Halligan, Mackintosh & Watson 1996, p.37) sums up the CEO response to pressures for greater financial efficiencies in the following way:

> We've had this ever-increasing demand for services and governments straying on the resources side so they spent and that's got us into the deficit argument and now they realise you can't operate like that. You've got to watch those deficits, bring them back into what is an acceptable proportion. So the argument then seems to me to be again fairly obvious, that if you've got lots of things to do and constraints [on] resources, surely it's possible to manage what you've got better - spread it more thinly or effectively and get more for the dollar. Now that leads into... how can we get better value and how can we apply management techniques within the public sector so that we can do more for the community... for the sort of tax revenues that we take from them.

2.4 Management Theory Impacts on Public Sector Reform

In the early 1980s the private sector began to intensify its search for management theory explanations and strategies to address Japan's emergence as an economic leader, the rise of computer technology and changes in work patterns. At the same time, but with less speed, the public sector also started to seek out management theory as a panacea for some of the reform pressures identified above.

The 1980s witnessed a spectacular rise of management schools, consultants, media and gurus who responded to the public and private sector's lack of confidence in how to address change. Nohria and Berkley (1998) use the heading 'The Rise of the Management Industry' to introduce statistics which identify a 334% rise in the value of the consulting industry in the United States between 1982 ($3.5m) and 1992 ($15.2m).

Micklethwait and Wooldridge (1996) attribute three causes to the public sector's 'obsession' with management theory. Firstly it was a response to an apparent crisis in faith with the public sector, contrasted by a resurgence of faith in the private sector. Secondly an appetite for new management approaches came from an imperative of 'doing more with less' (efficiency gains). Finally, and irrespective of economic drivers, there was a perception from within the public sector of the need to move with the time and embrace changes such as information technology.

Popular amongst the management theory approaches have been process re-engineering and Total Quality Management (TQM). Such approaches and many more variants, have spawned a diverse and often incompatible range of management practices from downsizing and outsourcing to employer empowerment and collaborative team management.

While management theories or 'customised versions' have underpinned significant management changes in the public sector over the past 20 years, there is growing evidence of either cynicism or a guarded pragmatism with respect to them and their academic and consultant advocates.

Cynical and pragmatic perspectives were typified in two comments from Commonwealth public service secretaries about fads and fashions in new management concepts (Halligan, Mackintosh & Watson 1996, pp.10-11):

> I always get a bit weary when we get to the 'What do you think about the latest shaft of light the management purists would throw on or against our work?' Whether it's TQM or MBO (management by objectives) or quality management or the learning organisation – all this stuff – I read it all and I just feel old, and I felt like that at the age of twenty;

and

> Re-engineering would be the other jargon phrase. But there are a lot of jargon phrases. My guess is that re-engineering as is popularly sold is losing favour a bit. But that doesn't mean that the basics of re-engineering aren't right. That you look at what you're trying to genuinely do and try to find better ways of achieving, and all those sorts of things, if they're basic and fundamental you should have been doing them all the time.

Hilmer and Donaldson (1996) support the pragmatic approach to the application of management theory in the public sector reform context. They suggest that good managers need a 'head and a heart', and that good management cannot be captured in a single program. Managers need to create an environment with a diversity of approaches.

Focusing on the strategic planning aspect of management Mintzberg (1994) concludes that because of the diversity of organisational cultures, it makes no sense to prescribe one type of planning for all. He argues that theoretical formalisation of strategic planning can be as counter productive as no planning at all:

> Organisations differ, just as do animals, it makes no more sense to prescribe
> one kind of planning for all organisations than it does to describe one kind of
> housing for all mammals (Mintzberg 1994, p.397).

Richardson (1995) also rejects the 'grand design' approach to management theory, particularly as it is applied to leadership. He argues for multi-skilled, multi-styled management approaches as a response to the unlimited situational complexity of organisations.

In an evaluation of a decade of management reform in the Australian public service, a Taskforce on Management Improvement (1992) concluded that much of the management change related to structures, rules and procedure. It took little account of the cultural change that actually underpinned what the reforms aimed to achieve.

This conclusion is also supported by a synthesis of the reform experiences of nine OECD[4] countries, where reform to date was largely about administrations catching up and realigning with new operating environments. They 'needed to deepen their capacity for change, build cultures that are change responsive or risk the criticism and discomfort of having disruptive, reactive change forced upon them' (OECD 1999, p.18).

While the application of management theory has, in the past twenty years, contributed to the nature and speed of public sector reform, perceptions regarding its effectiveness would seem to be linked to several factors. Firstly that when

---

[4] The nine OECD (Organisation for Economic Co-operation and Development) countries were: Canada, Finland, Germany, Ireland, the Netherlands, New Zealand, Norway, Portugal, and the United Kingdom.

applied, theoretical prescriptions and the jargon that communicates them, do not directly relate to the situational complexity of public sector organisations. Management theory is regarded as most useful when customised to meet local needs.

Secondly the reforms that come out of the application of management theory, such as restructuring and process re-engineering, often have a superficial effect and do not impact on organisational culture.

Commenting on 'managerialism'[5] as an output oriented, plan based contemporary approach to organisational reform, Sinclair (1989) said that the values upon which it is based are not necessarily applicable to or consistent with public sector organisations. In any case, theoretical perspectives on public sector reform will not be successful unless they are linked to an organisational commitment to cultural change:

> There is mounting evidence in organisational theory and research that no amount of visionary strategy and restructuring will succeed without organisational commitment to cultural change - a process requiring unequivocal leadership support, resources and the recognition that new cultures are forged, often painfully from the bottom where organisations deliver to clients or customers (Sinclair 1989, p.382).

2.5 Transformational Leadership

As the focus of this study is on the role of CEOs in leading change in their organisations, it is important to specifically acknowledge the emergence of 'transformational leadership' as a popular leadership construct.

Kotter (1996) draws a fundamental dichotomy between 'management' as a set of processes that keep a complicated system of people and technology functioning smoothly and 'leadership' as a set of processes that creates organisations in the first place or adapts them to significantly changing circumstances.

The attraction of the concept of leadership in either a public or private sector setting is easy to appreciate as we move into the new millennium. The rate and

---

[5] On pp.38-39, the concept of 'Managerialism' is further developed in relation to contemporary public sector culture in Australia.

complexity of organisational change demands a leadership capacity within the workplace to move beyond the management of the status quo to deal purposefully and positively with people in a dynamic operating environment.

Transformational leadership is a style of leadership that actively seeks to change (transform) the status quo within an organisation. Hughes, Ginnett and Curphy (1996 p.280) define transformational leadership as inherently future oriented. It:

> serves to change the status quo by appealing to followers' values and their sense of purpose. Transformational leaders articulate the problems of the current system and have a compelling vision of what a new society or organisation could be.

In his definition of transformational leadership, Yukl (1994, p.350) describes: 'the process of building commitment to the organisations objectives and empowering followers to accomplish these objectives'. Implicit in the building of commitment to accomplish objectives is a sense of a shift in peoples' attitudes and values, hence the association of the transformational leader with changing organisational culture. Yukl (1994) and Trice and Beyer (1993) describe the disposition of transformational leaders to put in place innovative strategies to substantially change organisational culture in order to achieve organisational objectives.

Transformational leaders are characterised in a number of ways, but essentially they articulate a clear vision for the future of their organisations, align their followers with that vision and inspire and support them to make it happen (Kotter 1996).

Yukl (1994, p.366) provides a comprehensive list of transformational leadership characteristics based on findings from descriptive research:

- articulation of a clear and appealing vision relevant to the needs and values of the followers;
- communication of the vision is facilitated through the leader's actions, use of emotional appeals, symbols, metaphors, rituals and dramatic staged events;
- take action to empower followers and change the organisation in ways that will institutionalise values;

- delegation of significant responsibility and authority;
- elimination of unnecessary bureaucratic constraints;
- provide coaching and training;
- encourage participation in making important decisions;
- encourage open sharing of ideas, concerns and relevant information;
- promote cooperation and teamwork;
- encourage constructive problem solving to resolve conflicts; and
- modify the organisation's structure and management systems and the organisational culture to institutionalise change.

Hanna and Webb (1997), Kakabadse (1997) writing on transformational leadership in the public sector, and Kotter (1996) point out that such leadership characteristics are not the domain of any one entity in an organisation but can be characterised in any number of individuals, teams or a guiding coalition.

It is also recognised that there is unique context in the public sector for the role of transformational leaders. Transformational leadership in government organisations is arguably more constrained than in the private sector, due to regulatory controls, community service obligations and varying levels of control from Ministers. As Scott (1994, p.451) puts it: 'Bureaucratic reformers, however talented and zealous, can offer leadership only under licence, lest our political masters clap us into irons or consign us to ivory towers'.

In support of the impact of 'situational constraints' faced by transformational leaders in the public sector Prasser (1990) identifies value based political decision making, intergovernmental conflict, and high levels of external scrutiny and control, as potential impediments to reform agendas.

2.6 Cultural Change in Organisations

The transformational leadership context of this study is organisational culture. Cultural change either underlies broader reform or might be the primary focus of a shift in how a public sector organisation behaves (Sinclair 1991; Taskforce on Management Improvement 1992). Either way, successful cultural change in an organisation and the role chief executive officers are inseparable (Hilmer & Donaldson 1996). This view is supported by Schein (1992, p.5), who said: 'Organisational cultures are created in part by leaders, and one of the most decisive

functions of leadership is the creation, the management, and sometimes even the destruction of culture'.

More specifically, CEOs influence organisational culture:

- when they set up groups;

- through their decision making style and interactions with staff which reinforce certain behaviours and values; and

- when organisations become dysfunctional they lead cultural change so that the group may continue to survive.

However, before further exploring transformational leadership and cultural change in public sector organisations, the characteristics of the organisational culture itself needs to be examined. Schein (1992) provides a comprehensive treatise on organisational culture and its relationship to leadership. Schein's definition of organisational culture, his description of its dimensions and the role of leadership in impacting on organisational culture are widely quoted and form a primary reference for a number of other major studies (Yukl 1994; Schultz 1995; Whiteley 1995; Hughes et al. 1996).

Schein adopts a generally functionalist approach to organisation culture (Schultz 1995). In his approach Schein (1992, p.12) defines organisational culture in terms of the functions it performs in an organisation rather than in terms of its meaning to the members of the organisation:

> A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Three important elements emerge from this definition. Firstly, what is passed on in an organisation only gives a superficial understanding of culture. An understanding of how people learn and socialise in an organisation is necessary for a deeper understanding of culture.

Secondly, the definition does not include overt behaviour patterns. While such behaviour might reflect cultural assumptions it may also reflect situational factors arising from the external environment.

Finally, the definition does not specify the size of the organisational unit to which it can be applied. While organisations have common assumptions that come into play, large or complex organisations may also have a number of subcultures that have their own integrity.

Whiteley (1995) elaborates on the internal integration and external adaptation associated with culture 'building' and culture 'binding' in organisations. Problem solving tasks associated with internal integration and culture development may include:

- developing consensus on appropriate workplace language;
- developing group behaviour boundaries and criteria for qualifying for inclusion as a group member;
- developing criteria for allocating status, power, authority; and
- developing the criteria for the allocation of rewards and sanctions.

Such tasks lead to the development of a sense of group identity based on shared patterns of thought, beliefs, feelings and values that result from shared experiences and common learning which in turn results in patterns of shared assumptions that Schein (1992) calls the culture of the group.

The problem of external adaptation refers to the coping cycle that any unit or organisation must be able to maintain in relation to its changing external operating environment. Elements of the coping cycle include:

- testing out shared understandings about the organisation's vision and mission;
- developing, sharing and pursuing major goals consistent with shared values;
- getting agreement, internal and external, on how to respond to success or failure; and
- developing sanctions for dealing with organisational differences.

Most coping steps are worked on simultaneously within an organisation and are based on cultural assumptions relating to the relationships with the external environment. Ultimately, how these external coping issues are worked out will also impact on the internal integration within the group

According to Schein organisations have three levels to which cultural phenomena are ascribed. These levels range from the very visible organisational structures and processes (artifacts), to those which are characterised by stated

values or norms (espoused values), or those beliefs that may be deeply ingrained and held subconsciously (underlying assumptions). Characteristics and examples of these levels are listed below:

Artifacts

- easy to observe but difficult to decipher;

- it is dangerous to infer deeper assumptions from artifacts alone because one's interpretation will inevitably be on the projection of one's own feelings and reactions; and

- examples - architecture of its physical environment, language, technology and products, artistic creations, style as embodied in clothing, manners of address, emotional displays, myths and stories, published lists of values, observed rituals, visible behaviour of groups and organisational processes into which such behaviour is made routine.

Espoused values

- a set of values that become embodied in an ideology or organisational philosophy and thus can serve as a guide and as a way of dealing with the uncertainty of intrinsically uncontrollable or difficult events;

- often such values are not patterned, sometimes they are contradictory, and often they are inconsistent with observed behaviour. Large areas of behaviour are often left unexplained, leaving us with a feeling that we understand a piece of culture but still do not have the culture as such at hand; and

- examples – written plans, strategies, goals and philosophies.

Basic assumptions

- unconscious, taken for granted beliefs, perceptions, thoughts and feelings. They define for us:

  - what we pay attention to; and

  - what things mean, how to react emotionally to what's going on and what actions to take in various situations.

The multidimensional nature of organisational culture is also expressed in a developmental sense. In other words, the characteristics of organisational culture and the leadership of cultural change depend upon where an organisation is situated

in terms of its growth and development. Perspectives on the relationships between organisational development and culture have been synthesised from a number of studies on the subject (Schein 1992; Yukl 1994; Ward 1994; Schultz 1995) and are presented in Table 2.3 below.

The transformational leadership implications of the multidimensional nature of organisational culture are numerous. The adaptation of the organisation to the external environment is usually the role of the organisational leader. It is the leader who either creates or maintains the organisation or group, is the custodian of the organisation's vision and creates mechanisms that ensure that members cope with the demands and pressure from the customers and stakeholders it serves. The leader's effectiveness is generally assessed in terms of his or her success in this area (Schein 1992).

Table 2.3

Developmental Dimensions of Organisational Culture

		Organisational Features	Change Attributes
Phase of Organisational Development	New	• has a vision of the new enterprise and proposes ways of doing things; if successful in accomplishing objectives; and reducing anxiety, shared values will gradually become embedded in the culture • relatively simple processes and structure, few overheads, operational flexibility, can change rapidly in response to market demand, there is a sense of life, emotion, passion about the business	• incremental change through general and specific evolution • change through insight from organisational therapy • change through the promotion of hybrids within the culture
	Developing	• culture is likely to be strong, assumptions have been internalised by current members and transmitted to new members • systems are needed because the business is now of such a size that without systems, chaos will result	• change through systematic promotion from selected subcultures • planned change through organisational development projects and the creation of parallel learning structures • unfreezing and change through technological seduction • change is quantitative and qualitative, less emotion and more reasoning in argument. Power belongs to the role, not the job holder
	Mature/declining	• people other than the founder occupy leadership positions, culture may become less conscious and less uniform, sub-cultures may develop, functional parts of the culture may become dysfunctional, cultural assumptions justify the past and are a matter of pride, making them more difficult to change • contains an established bureaucracy	• in general it is more difficult to change a culture in a mature organisation than to create it in a new organisation • change through infusion of outsiders • unfreezing through scandal and myth explosion • change through turnarounds • change through coercive persuasion • destruction and rebirth

33

The approach to cultural leadership can take differing forms depending on situational factors including the organisation's phase of development as described above or the personal style or attributes of the leader. The approach may also depend on the leadership objective, is it aimed at creating, changing, embodying or integrating culture (Trice & Beyer 1993).

Commentators on change in organisations have identified a range of process steps and specific strategies associated with achieving effective cultural transformation in organisations at artifact, espoused values or underlying assumption levels. Kotter (1996) introduces eight sequential steps operating through multiple phases as fundamental to successful transformational efforts.

Establishing a sense of urgency

- examining the market and competitive realities; and

- identifying and discussing crisis, potential crisis, or major opportunities.

Creating the guiding coalition

- putting together a group with enough power to lead the change; and

- getting the group to work together like a team.

Developing a vision and strategy

- creating a vision to help direct the change effort; and

- developing strategies for achieving that vision.

Communicating the change vision

- using every vehicle possible to constantly communicate the new vision and strategies; and

- having the guiding coalition role model the behaviour expected of employees.

Empowering broad-based action

- getting rid of obstacles;

- changing systems or structures that undermine the change vision; and

- encouraging risk taking and non traditional ideas, activities, and actions.

Generating short term wins

- planning for visible improvements in performance or 'wins';

- creating those wins; and

- visibly recognising and rewarding people who made the wins possible.

Consolidating gains and producing more change

- using increased credibility to change all systems, structures and policies, that don't fit together and don't fit the transformational vision; and

- hiring, promoting, and developing people who can implement the change vision.

Anchoring new approaches in the culture

- creating better performance through customer and productivity oriented behaviour, more and better leadership, and more effective management;

- articulating the connections between new behaviours and organisational success; and

- developing means to ensure leadership development and succession.

While using varied descriptors, leading writers on transformational leadership (Cairnes 1992; Schein 1992; Yukl 1994; Whiteley 1995; Parry 1996; Hughes et al. 1996) identify a core group of strategies or mechanisms that have been successfully deployed by leaders embedding culture in their organisations.

Transformational strategies are grouped according to the potential power of their effect and the nature of the association with the leader. Primary strategies can have a powerful impact on organisational culture and are associated directly with a leader's observable behaviour. Secondary strategies are dependent on primary strategies for the level of their impact and are associated with manifestations of organisational culture that are influenced by the leader on a more indirect level.

Effective transformational leaders do not necessarily deploy all of these strategies. Rather, they would have personal preferences that would suit their personal leadership style and situational factors within their organisation.

How implicit or explicit the messages are and whether strategies are intentional or not, will vary across the groupings. Table 2.4 (p.36) lists primary and secondary strategies identified in the literatures as being effective in transformation of organisational culture.

Table 2.4

Cultural Transformation Strategies

Primary Strategies	Secondary Strategies
• what a leader attends to on a regular basis	• design of the organisational structure
• how the leader reacts in a crisis	• organisational systems and procedures
• how the leader reacts to success and failure	• facilities and physical space
• observed criteria for allocating rewards	• formal statements of philosophy, charters, management principles, plans
• how leaders select, promote and remove staff	• stories, rituals, legends
• role modelling by the leader	

In summary, organisational culture describes the underlying assumptions within an organisation which guide how it solves problems associated with its internal operations and how it copes with the external pressures of achieving its aims and ultimate reason for existing.

Organisational culture is multidimensional and it is generally viewed as operating at three levels: artifacts, espoused values, and basic underlying assumptions.

How leaders transform organisational culture will be influenced by situational factors such as where an organisation is located in terms of its evolutionary development and its specific cultural characteristics.

There are a number of recognised strategies that can be deployed by leaders to bring about change. These strategies are interrelated and have varying levels of impact on an organisation's culture. Some strategies relate directly to leaders' overt behaviour while others manifest themselves in more subtle ways.

Diagram 2.1 on page 37 provides a simple overview of the dimensions of organisational culture and change.

Diagram 2.1

Dimensions of Organisational Culture and Change
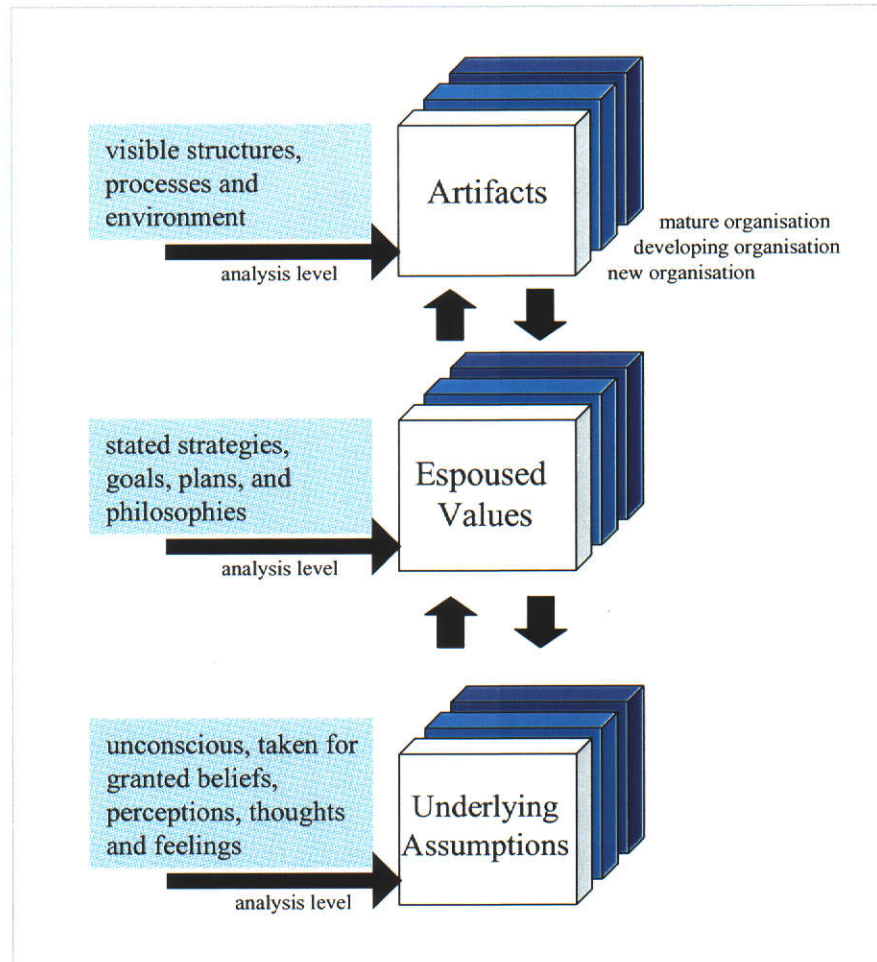
2.7 Cultural Change in the Public Sector

As suggested in the early part of this chapter, the sedentary nature of the public sector in the first seventy years of the twentieth century and its diminishing relevance to contemporary society, provided a strong catalyst for the change that was to follow. Caiden (1990, p.40) concludes:

> The consensus was clearly that Australia's unchanging administrative ethos was crippling the nations ability to deal with altered world conditions; was preventing government from taking bold initiatives; and was, in general, behind the times. In particular, bureaucracy had failed to grapple with serious long-standing public policy and administration issues that had worsened over time because of benign complacency.

Administrative reform, with its consequential impacts on the culture of public sector organisations, commenced with a vengeance in the 1980s (Caiden 1990). The direction of reform was influenced significantly by public sector leaders such as Michael Keating (1988b, p.59) who, as Secretary of the federal Department of Finance, commenced articulating objectives for public sector change. These were:

First, to assist the government to choose how it wishes to allocate resources best to satisfy its policy objectives;

Secondly, to improve the effectiveness, equity and efficiency of programs delivered by the public sector directed at meeting these objectives;

Thirdly, to focus the necessary tight restraint in budget outlays on areas where effectiveness, equity and efficiency criteria justify reductions; and

Fourthly, embodied in the other three, is the aim to improve the public service as a place of work, and as a career, and the personal satisfaction we derive from it.

The objectives and doctrine for change in the public sector, described by Keating and others, did not necessarily translate into practice and the true nature of change was a matter for debate. It was not until the latter part of the 1980's that 'managerialism' emerged in articles as an acceptable term to describe changes focused on 'an enhanced and empowered management role with public organisations' (Considine & Painter 1997, p.2).

Managerialism

Today *Managerialism* is also a term commonly used to label a public sector culture that has grown in support of the type of values that underpinned the objectives espoused by Keating above (Caiden 1990; McCullagh 1991; Sinclair 1989 & 1991; Schroder 1997; Considine & Painter 1997; Moon 1999). Managerialism as a culture, includes the following characteristics:

- administrative reform focused on the process of measuring organisational performance according to measurable goals or outputs;

- the establishing of a corporate mission - with management's responsibility being to ensure that lower-level activities advance broader objectives; and

- top down and centrally driven corporate planning.

Mechanisms used to bring about this management led cultural transformation have included:

- change in public sector leadership;

- the use of program budgets, performance standards and rewards systems based on measures of outputs;

- 'accountability' being seen as a measure of an economic efficiency audit rather than political responsibility; and

- the emulation of the private sector's principles of excellence.

Expectations of a slowing in the rate of public sector reform in the 1990s have not been realised and according to Prasser (1997, p.110) the change agendas initiated in the 1980s have triggered less predictable, less controlled and escalating transformations in the 1990s.

A consequence of this period of prolonged change is that aims of government are being approached by means with which governments themselves are relatively unfamiliar and pursued in partnership with non government players (Moon 1999). 'Marketisation', for example, is now emerging as a kind of 'market managerialism' whereby desired managerial practices are privatised through forms of contracting (Considine & Painter 1997).

As a result, the boundaries of the public sector are more difficult to define and its behaviour vacillates between more traditional bureaucratic roles based on establishing and applying rules, broad direction setting, and professionalism where organisations are committed to providing expert services and advice (Exworthy & Halford 1999).

CEOs and Cultural Change in the Public Sector

While there is some acknowledgment in the literature (Trollope & Heatley 1994) of the impact of individual CEOs on reform in public sector agencies, there has not been much specific analysis.

Sarros and Butchatsky (1996) undertook a detailed study of the attributes of Australia's top CEOs, nominated by the leaders of this country's 500 largest companies. While Sarros and Butchatsky did not focus specifically on public sector CEOs they did establish the phrase 'breakthrough leadership' to characterise

the behaviours associated with Australia's most highly regarded business executives. They equated breakthrough leadership with transformational leadership as a style that recognised and satisfied the higher order needs of workers and 'encouraged worker involvement in the building and delivery of corporate vision' (1996, p.20).

As noted in the early part of this chapter, the strategic role of CEOs in public sector reform is explicitly acknowledged in legislation such as Western Australia's *Public Sector Management Act 1994*. Federal Minister Peter Reith (Australia, Parliament, 1996, p.9), in a discussion paper focused on the revamp of the *Public Service Act 1922*, highlighted the need to address leadership as a part of legislative reform:

> Compared with overseas executives in the public and private sectors APS managers rate their organisations highly on performance culture, professionalism, ethical standards and service orientation. However the leadership of the APS rates relatively poorly in terms of cohesion, communications, trust and overall strategic management capability.

Central to his paper presented at an OECD symposium on 'Government of the Future', Brosnahan (1999, p.15) argued that, from an international perspective, the role of the CEO in leading public sector reform is critical:

> There are two main aspects of reform: structural changes, and the implementation of the new policies and changed systems to achieve improved outcomes. Structural changes alone are not sufficient and the traditional managerial model is not enough. Effective executive leadership is vital in all aspects of the public service, to continue the transition from the traditional, structured, bureaucratic organisations which once comprised the public sector to new, less formal, more independent organisations. These new organisations are required to refocus, to restate their values, to help the public adapt to changing services, to often compete with outside contractors, to produce more from less and to cope with the inevitable human dislocation.

In an internationally benchmarked study, Kakabadse (1997) examined the relationship between the dialogue amongst senior managers in the Australian Public Service, their capability to form views as to the future direction, shape and nature of

their organisation and the possible impact of their behaviour and philosophy on the rest of the organisation.

He found that where the quality of dialogue is high and the relationships amongst senior managers is positive, the issues and concerns facing the organisation are likely to be more openly addressed.

Hanna and Webb (1997), in an article on the public sector's response to the imperative for cultural transformation, were positive about the level of responsiveness and flexibility that is emerging in the Australian public sector. They postulated that it is critical to have a person or a core of people willing and able to drive the reform agenda.

Jans and Frazer-Jans (1991), in a study of the relationship between the priority given to human resource management and organisational effectiveness, concluded that if people in organisations do not know or share goals and are not able to contribute to decisions made, then they will be less than fully committed to the success of the business. They maintain that the CEO and top management are synonymous with organisational culture as they have such a strong influence over the things its staff value, the goals they collectively pursue, and the way they prefer to operate and to manage themselves.

Reporting on the case study of the characteristics of a statutory authority in northern Australia under two different leaders, Trollope and Heatley (1994) concluded that the same statutory authority, operating with similar structures and relationships but with different leadership, could be transformed substantially in performance terms. While attention is usually focused on the structural aspects of public sector reform, it is the much-ignored individual or idiosyncratic factors that are important to reform.

The Public Face of Public Sector Reform

In the public arena, considerable attention has been given to the involvement of CEOs in issues central to public sector reform. Since the mid 1990s, for example, The *West Australian* newspaper has devoted significant space to editorial comment and feature articles which have analysed CEO involvement with issues that can be linked back to high level principles of public administration, policy and operational aspects of public sector reform.

There has been some public disquiet about the direction and impact of public sector reform within the ranks of the State's CEOs. The extent of this disquiet is difficult to gauge as CEO contractual and legislative constraints are likely to make them apprehensive about making critical comment on government issues and policy (Peachment 1998). However Mr Collier (Meertens 1996, p.1), who retired in 1996 from his position as head of the Western Australian Salaries and Allowances Tribunal, said that 'public sector reforms had sent morale to the lowest level he had seen in his fifty year career'.

Interviewed for a page one and page eight feature article in The *Western Australian* newspaper, Mr Collier contended that economic rationalism had 'gone mad' and there was something very wrong with the Western Australian public service. Meertens (1996, p.8) reports:

> He [Mr Collier] said the demise of the public service in Western Australia had its genesis in the Burke era but the Court Government's reforms of privatisation, contracting out and the loss of more than 9,000 public sector jobs in four years had all but finished it off.
>
> The introduction of five-year contracts for senior bureaucrats and workplace agreements across departments meant public servants were scared of losing their jobs.
>
> People with the sword of Damocles hanging over their heads are not very productive he said.
>
> And when they see the senior positions they hoped to aspire to being advertised for outside appointment, they realise the public service can no longer be considered a career. The mobility of the senior service is virtually nil.
>
> Mr Collier, who served as an industrial relations commissioner and civil service association official, said the concept that the private sector was better was laughable.
>
> "Would you prefer the Skases and the Bonds and the Connells?" he asked.

The source of much of the tension surrounding the role and performance of CEOs in the public sector relates to the application of guidelines and legislative frameworks, which set parameters around their real capacity to lead. On one hand,

there appears to have been an increase in the autonomy and authority of CEOs to lead their agencies. On the other hand, there appears to be a reinforcement of the power of Ministers to exert policy control, and be accountable when it is felt necessary to do so (Blick 1999; Johnston 1999; Thompson & Tillotsen 1999; Weller & Wood 1999).

How such parameters have been applied in relation to the setting and implementation of government policy objectives and the straightforward management of service delivery had not always been consistent.

In a series published in the *Weekend Australian*, Tingle (1995) examined the 'fall of the mandarins[6]', a title ascribed to the federal secretaries of the time whose influence and power bases were being diminished by a government reform agenda. Tingle (1995, p.20) cites a 1993 speech by Prime Minister Keating:

> Central to our reform of the Public Service was the desire to ensure the government of the country belonged to the elected politicians.
>
> We stated at the outset that a key objective was to make the Public Service more responsive to the government of the day; more responsive in the sense that it would be better able to recognise and achieve the government's overall policy objectives.
>
> We're not interested in a politicised Public Service. But that doesn't mean public servants have to be political neuters.
>
> We want men and women who have their own ideas, who are ready to take the initiative, combined with a high degree of political sensitivity.

Mr Blight (Public Sector Management Office 1997a, p.4), the retiring Western Australian Commissioner for Public Sector Standards and Director General of the Ministry of Premier and Cabinet during the period of four Premiers, said that: 'it was his ability to remain impartial combined with steadfast loyalty to the government of the day, that enabled him to hold positions of trust over numerous changes in government'.

Mr Blight set great store by 'Westminster trained senior public servants' and the need for public servants to know where they 'fitted into the scheme of things' and to implement the policy of the day – as long as it was ethical.

---

[6] Mandarin: A Chinese bureaucrat whose appointment to salaried posts in the civil service was by examination, from the early Han times until the revolution of 1919.

Where CEOs and Ministers 'fit into the scheme of things' with respect to the implementation of government policy is not always clear-cut (Weller 1999). This has been very publicly demonstrated by the current WA Police Commissioner, who has been outspoken in resisting the directives of successive Coalition and Labor Ministers to change his approach to the provision of school crossing attendants (Martin 2001) and the policing of Asian crime gangs (Harvey 2001).

Exacerbated by a volatile election environment, these two issues brought a sharp focus to the broader concern for CEO autonomy in the operational management of their agencies. This was captured in the *West Australian* editorial of January 29 2001:

> Police Commissioner Barry Matthews has every reason to be worried about the possibility of government interference in his job.
>
> Opposition leader Geoff Gallop has promised that a Labor government would change the structure of the police force by returning to the specialised squads which were disbanded during the much debated Delta reforms of the previous Commissioner Bob Falconer.
>
> Mr Matthews answered him by declaring that he would not be forced into that course of action.
>
> But Mr Matthews has only to recall the actions of the Police minister Kevin Prince just before the State election was announced to realise that his autonomy in running WA's police force is by no means guaranteed.
>
> Mr Prince embarrassed his commissioner by instructing him to reinstate 27 school crossing attendants who were sacked in November. A nationally accepted police risk calculation had indicated their presence was not warranted at some schools.
>
> Mr Prince's action in instructing Mr Matthews to reinstate the guards was authorised by a little used section of the public sector Management Act. But it was a disturbing breach of the convention which separates government from the day-to-day operation of the police force.

Since the mid 1990s the Western Australian Public Service has been destabilised by either the dismissal or failure to re-appoint several high profile CEOs including a Director General of Education, Electoral Commissioner and Director General of the Ministry of Justice (Peachment 1998).

In recent times, destabilisation and controversy in the CEO ranks of the WA public sector[7] has been frequent:

- resignation of Director General of the Ministry of Justice (Burns 1998);
- reprimand and removal of the CEOs of the Main Roads Department (*West Australian* 4 Feb. 1998);
- reprimand and removal of the CEO of Worksafe (*West Australian* 12 Nov. 1998, editorial);
- premature departure of the Director General of Education (*West Australian* 17 May 1999, editorial);
- removal of the CEO of Princess Margaret and King Edward Memorial Hospitals (*West Australian* 5 Oct. 2000); and
- removal of the CEO of the Grain Pool (Peacock 2000).

An apparent political suppression of information and an underlying sense of disharmony between the CEOs and government Ministers have characterised all of these events. Under the banner 'WA builds a culture of suppression', an editorial in the *West Australian* (12 Nov. 1998, p.12) said:

> The Court Government continues to promote a culture of secrecy around its political wheeling and dealing.
>
> Its attempts to prevent people from knowing what is going on in public institutions are becoming increasingly disquieting. And there is a pattern emerging.
>
> ... Among the many questions raised by the Government's obsession with secrecy is: Why is it afraid of what present or former State public servants might want to say about its operations?
>
> ... That he [Mr Bartholomaeus] is prevented from doing so [talk about political pressures on him] is a damning mark of a Government that has institutionalised the suppression of information when it was elected on a promise to do just the opposite.
>
> It is also a dark threat to the independence of the public service.

A contribution to instability in the executive ranks of the WA public sector has been the number of vacant CEO positions not being substantively filled over extended periods of time. This has brought the criticism that having CEOs in

---

[7] At the national level, Jonathon Shier's controversial leadership of the ABC should also be noted. See Chapter Seven, p.145-146.

acting capacities creates uncertainty and destabilisation throughout the public sector (Grove 1998, 1999).

The situation is linked to a government reform agenda aimed at improving the efficiency of the public sector through downsizing, elimination and amalgamation of some government agencies.

CEOs have not only come under public scrutiny in terms of their personal or collective involvement in public sector reform but also from the perspective of their effectiveness, or otherwise in leading public organisations under the great pressures of constant change.

In 1997 Ms R. Burgess was awarded the Australian Institute of Management Excellence in Management Award for Women. She was only the second public sector employee to win the award since it was established in 1988. Criteria for the award included leadership, strategic, people and resource management, entrepreneurial ability and community involvement.

Ms Burgess introduced a strong marketing focus in her role as CEO of the Perth Zoo, turning around declining attendances in order to increase revenue stream. Subject of a feature article in the Western Australian Government's official journal *Intersector* (Public Sector Management Office 1997b, pp.1-2), Ms Burgess said: 'I'm keen on a style of management which is open and which encourages the staff to take time to think, reflect and learn. I believe in nurturing a learning community within an organisation.'

Ashworth (16 Nov. 1999, p.12) writing in the *Western Australian* newspaper, paid tribute to Mr P. Browne who after only four months as acting Director General had managed to 'soothe one of the State Government's biggest headaches – its public education system'. It was reported that Mr Browne had been able to keep his department out of the headlines, cut $10m of its budget and bridge an 'enormous' divide that had developed between schools and the department's central office under the leadership of his predecessor.

Mr Browne was well regarded by principals' groups as a person for whom staff had a natural empathy, who actually visited schools and listened to what people had to say.

By contrast Mr B. Falconer a former Western Australian Commissioner of Police was regularly the subject of criticism in the press. *The Report on Police*

Investigative Practices 1997, featured in the *West Australian* newspaper (16 Nov. 1999, editorial), expressed serious doubt about the management style of the Commissioner and suggested that he presided over a 'disquieting culture of indifference among some officers'. The Report found in essence, 'that officers at the upper end of the hierarchy lacked leadership, vision and the capacity to carry out reform'.

If the extent to which WA public sector CEOs have been the subject of newspaper and other reports in recent times, is indicative of the importance placed upon their leadership by the community, then it would appear that the quality of their leadership is indeed of significant consequence and interest.

2.8 Summary

Over the past two decades there has been unprecedented change in the Australian and Western Australian public sectors. The significance of the reform is made more pronounced by a previous seventy years of changeless public administration.

Successive Liberal Coalition and Labor governments drove much of the change, intent on improving the efficiency and effectiveness of public administration in response to difficult, global economic circumstances and shifting community expectations for service. The strategy for change that emerged came from a combination of interdependent royal commissions, new financial policy settings and legislative reforms.

The direction of the reform in the public sector has been characterised by:

- a shift to smaller government;

- focus on service outcomes and outputs;

- a raft of strategies aimed at improving the efficiency of the service; and

- CEO leadership based on increased autonomy for decision making and formal accountability for the resourcing and effectiveness of outcomes.

To some extent, reform in the public sector has mirrored that which has taken place in the private sector. A burgeoning body of management theory and consultancy services has significantly influenced the reform agenda. They have aimed at explaining and influencing the direction and pace of change and at

marketing strategies to organisations faced with intractable problems associated with remaining viable.

The so called 'management industry' has been criticised by some as being one-dimensional and of limited applicability given the situational complexity of organisations, varying leadership styles and organisational cultures. There is some evidence that organisational leaders today are adopting a more pragmatic response to the 'management industry', picking and choosing those aspects that they believe can benefit their organisations and discarding the rest.

Transformational leadership has been identified and analysed as a style of leadership very relevant to the current period of rapid organisational change. It is a forward focused leadership style with an emphasis on communicating a vision for where an organisation is heading and building commitment amongst staff and empowering them to set and achieve objectives.

Some writers point to the possibility that the application of transformational leadership strategies in public sector organisations may be limited by political, policy and legislative constraints that are not so evident in the private sector.

Transformational leadership is very much intertwined with an acceptance and understanding of organisational culture and how it might be changed. There is general agreement in the literature that organisational culture is a multi-layered phenomenon, which expresses something about the shared assumptions that underlie organisations.

Organisational culture can be illustrated superficially through the visible appearance of an organisation or more deeply through the values and attitudes that underpin behaviours. Organisational culture is something that is learnt within an organisation as it strives to deal with problems of external adaptation and internal integration.

As a multi-layered phenomenon organisational culture can only be changed by the application of strategies that ultimately seek to address the organisation's underlying assumptions and take into account where it is placed in term of its phase of development.

There is no conclusive evidence that there has been sustainable cultural change in the Western Australian or Australian public sector to complement the

more visible structural reforms that have taken place. *Managerialism* is a term that has been coined as a descriptor for a new public sector culture, believed by some commentators to have emerged in the late1980s. This is the subject of lively debate and there is no substantive empirical research that either benchmarks a previous public sector culture or confirms the new.

There is broad agreement in the literature that leadership is integral to reform in the public sector. Further to this, there is acknowledgment that the leadership of cultural change in organisations is critical to the sustainability of any reform agenda.

The importance of the role of CEOs in the effectiveness of public sector organisations has been explicitly acknowledged through legislative reform processes at both the State and Commonwealth levels.

In the public arena, CEOs have gained a high profile in the print media. This profile is not only based on controversial matters but also on CEOs' leadership of and contribution to their agencies and the broader community.

While the literature is extensive in its description of organisational culture and the importance of leadership in the change process, there is little substantive analysis of how this applies in the public sector. More specifically the role of CEOs in leading cultural change in the Western Australian public sector organisations is an unexplored field of investigation.

What do our CEOs believe are the important characteristics of leadership in the Western Australian public sector? What do they understand by the concepts of organisational culture and cultural change? What strategies do they apply to bring about cultural change in their agencies? Do they regard cultural change as an important part of their role and what factors influence their approach to such a role?

CHAPTER THREE

Methodology

3.1 Introduction

This study adopts a qualitative methodology. It is a descriptive analysis, exploring *how chief executive officers lead cultural change in Western Australian public sector organisation*, drawing conclusions and examining their implications for the future of the sector.

An understanding of cultural change in the public sector has not yet been incorporated into a coherent conceptual framework by researchers. By extension, there is very little insight about the relationships between cultural change in public sector organisations and its leadership by CEOs. A qualitative methodology that is primarily exploratory and focused on fine grained descriptive data related to processes, beliefs and strategies within a specific context, is appropriate for the investigation of the research questions which are:

1. What do chief executive officers believe are the important characteristics of leadership in the Western Australian public sector?

2. What do chief executive officers understand by the concepts of organisational and cultural change in public sector organisations?

3. Do chief executive officers apply specific, transformational strategies to bring about cultural change in their organisations?

4. Do chief executive officers regard the use of transformational strategies to bring about cultural change in their organisations as an important part of their role?

3.2 Methodology Defined

In its broadest sense 'methodology' describes the over-arching research design a researcher intends to utilise in investigating, amongst other things, a research topic. Methodology encompasses the rationale for the research, examination and clarification of key concepts, a critical review of relevant literature, how the

researcher intends to collect and analyse data and a discussion of findings in relation to the topic. Leedy (1989, p.145) describes methodology, at this level, in the following way:

> While you are the researcher and have planned and executed the study, you should always be conscious that a host of critical eyes are looking over your shoulder - eyes that are not necessarily unfriendly - but that would like to know exactly what you are planning to do, or have done, and how you did what you did, why you did what you did, and what reasoning formed the bedrock upon which the 'how' and 'why' was justified.

Methodology should be evident throughout the total research endeavour. It should be reflected in each individual part of the research and linked logically and sequentially across them all. This thesis is the product of the methodology that has been applied. At the highest level Diagram 3.1 (p.57), chapter headings and process flow charts describe and track the broad methodology used in this study.

Given that it is the research questions and the nature of the data required that largely determine the research methodology, the discussion of methodology in this and the next three chapters, will focus on data collection, processing and analysis.

3.3 The Use of Mixed Methodology in Research

Over time, qualitative and quantitative methodological 'paradigms' have emerged in empirical research. The paradigms are based primarily on how data are collected and treated. In simplistic terms quantitative methodology tends to be experimental[1], emphasising causality, variables, heavily structured data collection devices and enumerative approaches to data analysis. Qualitative methodology tends to be non experimental, involve the researcher as the main 'measurement device', include the gathering of data in the field, lead to the isolation of concepts within particular contexts and result in analysis which is richly textured.

For some, quantitative and qualitative methodologies are portrayed as a dichotomy with no overlap or cross use. In extreme instances one or other of the methodologies have been promoted with an almost religious zeal. Popular myths, for

---

[1] The term 'experiment' is defined in many ways. In this context, 'experimental' relates to a narrow or strict constructionist definition described by Laponce and Smoker (1972 p.4). Their definition of an experiment involves the experimenter in controlling the stimulus that creates data and the existence and intensity of at least one of the variables studied at the very time the data are created.

example, have sometimes been advanced to support the preference of one method over the other. One such myth is that measurement validity is the province of quantitative research and is irrelevant to qualitative research (Goodwin & Goodwin 1984).

While such false distinctions persist, what is beginning to emerge, in relation to validity, is that the positions and best interests of quantitative and qualitative researchers are not very different. In the late 1950s, the pursuit of validity in data collection and analysis in the experimental context lead to the emergence of 'triangulation' methodology or the use of two or more methods of data collection procedures within a single study (Duffy 1984). By the 1980s the combining or blending of quantitative and qualitative methods as a strategy for enhancing the credibility of research findings had gained some support. Today, the potential benefits of combining methods are fairly well documented.

Developments in the use of multiple approaches to enhance the validity of research data can be traced back to a seminal article on multiple methods published by Campbell and Fiske (1959). Titled *Convergent and Discriminant Validation by the Multitrait - Multimethod Matrix*, the article was specifically concerned with the efficacy of tests as measures of constructs or variables. It argued that before testing the relationships between a specific trait and other traits, researchers need to have confidence in their measures of the trait. This could be achieved by using a matrix that enabled the correlation of validity values applied to single traits measured by single or multiple methods or multiple traits measured by multiple methods.

Campbell and Fiske identified two aspects of the validation process that could be enhanced by the application of the multitrait - multimethod matrix. The first was 'convergent validation', that being validation relating to junction between independent approaches to the measurement of a concept. Using examples in the measurement of personality traits, Campbell and Fiske suggested that agreement between different measurement methods (of the trait) must be demonstrated and that such agreement was represented by the convergence of independent approaches with demonstrable validity.

Secondly, 'discriminant validation' focused on the capacity to observe the meaningful differentiation of one trait from other traits under more than one experimental condition. When a theoretical construct was put forward for investigation, in this case a personality trait, the proponent invariably had in mind a distinction between the trait and others already being studied. The verification of such a distinction through the application of multiple measurement methods to a trait was proposed as an important part of the validation process.

In summary, any conceptual formulation of a trait was a response tendency that must be observable under more than one experimental condition (convergent validation) and be clearly differentiated from other traits (discriminant validation). Using a multitrait - multimethod matrix validation process Campbell and Fiske (1959, p.104) concluded that:

> Measures of the same trait should correlate higher with each other than they do with measures of different traits involving separate methods. Ideally these validity values should also be higher than the correlation among different traits measured by the same method.

While developed within a purely quantitative, experimental environment, the concepts of convergent and discriminant validation underlying Campbell and Fiske's matrix remain pertinent today. The concepts or their similes are also applied in qualitative and multiple research method settings.

In a short but challenging article titled *Qualitative Vs Quantitative Research or Qualitative and Quantitative Research*, Goodwin and Goodwin (1984) discussed the advantages of mixing methods in research. They draw an analogy between this approach and the concurrent validation techniques used by quantitative psychometricians - such as Campbell and Fiske.

While acknowledging that estimating validity with some qualitative measurement strategies can be problematic, the authors maintain that it is imperative for that research to produce credible findings. The data must be collected in a consistent, reliable way, and must portray a valid picture of reality.

Although, according to Goodwin and Goodwin (1984, p.380), the advantages of combining methodologies do not apply to every research study, many studies can

be enhanced by such a combination. The authors say:

> No single measurement strategy or method is perfectly reliable or valid; relatedly, every data collection technique has certain strengths and weaknesses. Use of multiple measures in a single study has long been advocated as a means of strengthening the study....
>
> Most research studies can benefit from multiple measures of the process and/or outcome variables of interest; careful choice of a combination of qualitative and quantitative measurement strategies can increase the information yield and strengthen the external validity of the results.

Brannen (1992, p.73), who edited a comprehensive book on the mixing of qualitative and quantitative research methods, provides an additional perspective on the topic. It is her contention that research, often presented as the product of a mixture of methods, is in reality a single methodology that is deriving both qualitative and quantitative data from the same research instrument:

> Qualitative researchers often engage in quasi-quantification, using terms like 'many', 'most', 'often' and 'hardly ever'. In other words, the use of quantification of such data is not meant to provide the means of examining the kinds of issues that are normally of concern among quantitative researchers, such as precise calculations of relationships between variables, teasing out causal paths, providing estimates of central tendency and dispersion, inferring from sample to population and so on. Instead quantification acts as a means of summarising qualitative material as an alternative to more indeterminate presentations of data.

Brannen believes that a place does exist for combining different types of data within a single methodological approach. For example, quantitative data can be used in predominantly qualitative research as a helpful means of summarising certain kinds of qualitative findings associated with straightforward issues - such as the quantification of answers to semi or unstructured interviews.

Alternatively, qualitative data can be used in an otherwise quantitative methodology to help enrich understanding of issues - such as open ended questions in a primarily structured survey questionnaire.

What has been found so far is that, in certain circumstances, the validity or general quality of research findings can be enhanced by using multitrait -

multimethod matrices, by combining qualitative and quantitative methodologies or by utilising quantitative data in a predominantly qualitative methodology setting or vice versa.

Not so well addressed in methodology literature are the guidelines that provide an 'operational bridge' from a theoretical position on the use of multimethod approaches to their valid and practical application by researchers (Knafl et al. 1988; Miles & Huberman 1994).

Miles and Huberman, arguably the world's most prominent authors in the area of qualitative data analysis, champion the need for high standards of validity in qualitative research. They have gone a step further by developing extensive practical guidelines for supporting researchers to achieve standards of 'confirmability' in their qualitative findings. Miles and Huberman (1994, p.2) contend that:

> ...the problem of confidence in findings has not gone away. Clearly, we still
> lack a bank of explicit methods to draw on. We need to keep working at
> sensible canons for qualitative data analysis, in the sense of shared ground rules
> for drawing conclusions and verifying their sturdiness.

Validity is embraced through their reference to five issues from which are derived practical guidelines that can be applied in testing the standards of the methodology.

Table 3.1

Practical Standards for Testing the Efficacy of Qualitative Methodology

Major Issue	Guideline
Objective, Confirmability	Do the findings depend preferably on the subjects and conditions of the research rather than the characteristics of the researcher?
Reliability, Dependability, Auditability	Is the process of the study consistent, stable over time and across researchers and methods.
Internal Validity, Credibility, Authenticity	Do the findings make sense, are they credible to the people being studied and to readers and do we have an authentic picture of what we are looking at?
External Validity, Transferability, Fittingness	Are the conclusions transferable to other contexts, how far can they be generalised?
Utilisation, Application, Action Orientation	How might the study enhance its participants, both researchers and the researched?

3.4 The Research Methodology

The exploratory nature of the four questions identified for investigation in this study required the deployment of the mixed methodologies that are summarised below and illustrated in Diagram 3.1 (p.57).

A preliminary literature review was necessary to provide a context and broad parameters for field data collection. The review focused on the determinants of reform in the Western Australian public sector, transformational leadership, organisational culture, cultural change in the public sector and specific attributes of such change in Western Australia.

On the basis of the literature review, key terms and concepts central to the research questions were identified as were the primary transformational strategies deployed by leaders in bringing about cultural change in organisations.

In line with the exploratory and inductive nature of the research, as categories of data and concepts emerged through the data collection, additional cross referencing to literature took place for the purpose of confirming or questioning emerging response patterns. This occurred throughout the research process.

Three distinctive but interdependent data collection procedures were used to gather information in the field. These were standardised research validation interviews, survey questionnaires and in-depth semi structured interviews. Concepts that emerged from the literature review and were tested in the initial validation interviews formed the basis for the survey questionnaire which, consequently, produced findings that were further explored through in-depth interviews.

The three primary data collection procedures are described fully in Chapters Four, Five and Six but are summarised below:

- Standardised, Research Validation Interviews - exploring the relevance of the broad dimensions for research and checking the contextual validation and general understanding of the research topic, questions and key terms from the literature review. The findings of the preliminary interviews provided direction for the structure and content of the survey questionnaire.
- Survey Questionnaire - data collection and preliminary analysis leading to descriptions of the sample demographics, organisational contexts, emerging

themes and categories of information. The findings of the survey questionnaire provided the basis for the following in-depth interviews.

- In-depth Interviews - data collection and preliminary analysis leading to deeper and broader levels of conceptual understanding relating to the findings of the survey questionnaire as well as additional, related observations.

Diagram 3.1

Research Design and Methodology

TOPIC
The role of chief executive officers in leading cultural change in Western Australian public sector organisations

What do chief executive officers believe are the important characteristics of leadership in the Western Australian public sector?

Do CEOs regard the use of transformational strategies to bring about cultural change in their organisations as an important part of their role?

What do CEOs understand by the concepts of organisational culture and cultural change in P.S. organisations?

Do CEOs apply specific transformational strategies to bring about cultural change in their organisations

Critical Literature Review

Standardised, Research Validation Interviews

Survey Questionnaire

In-Depth Interviews

Data Collection & Analysis

Research Summary and Conclusions

Implications of Research Findings

In the survey questionnaire, quantification was used to outline demographic aspects of the survey sample group. Quasi quantification, as described by Brannen (1992) earlier in this chapter, was also applied to some of the survey questionnaire and interview data to assist in summarising and describing findings emerging from the analysis.

The outcomes emerging from the overall analysis and synthesis of findings from the survey questionnaire and in-depth interviews were then discussed, specifically in relation to the primary research questions. Major research findings were then isolated and their specific implications for CEO leadership of cultural change in the Western Australian public sector were discussed.

3.5 The Sample

During the first phase of primary data collection, preliminary information was gathered from a small number of Senior Executive Service[2] members who were not CEOs. The primary research sample was, however, all CEOs in Western Australian public sector organisations (see Chapter One, p. 8 for the definition of a CEO).

Chief executives are the officers identified in law as 'accountable' for achieving the objectives of Western Australian public sector organisations. As such they have the ultimate authority to plan for changes in their organisations' culture. On this basis, they have been identified as the sample cohort for this research.

All eighty-five chief executive officers, appointed under *the Public Sector Management Act 1994*[3], were included in the primary research sample. A survey questionnaire was distributed to this sample.

Where a chief executive officer was on leave or absent for whatever reason, the person acting in the position was identified to become part of the sample.

'Selective sampling' was used to determine a sub sample of chief executive officers for a subsequent round of in-depth personal interviews. Strauss (1987) describes this technique as a purposeful decision to choose a particular group of

---

[2] The Senior Executive Service consists of a group of executive officers who are capable of:
- furnishing high level policy advice and undertaking managerial responsibilities in agencies; and
- being deployed within agencies, and between agencies, so as best to promote the efficiency of the Public Sector *(Public Sector Management Act 1994 (WA)*, s.42 (1)).

[3] Spreadsheet information provided by the Ministry of Premier and Cabinet (1998b)

interviewees based on a reasonable, established set of dimensions that are determined in advance for study. In this instance, the sub sample of CEOs was chosen to be representative of the following set of dimensions:

- males and females;

- experienced and inexperienced (years of experience as CEOs);

- agency size (number of staff);

- central agency[4]; and

- line agency[5] or statutory authority

Specific details regarding the characteristics of each of the three samples used in the primary data collection are provided in the next chapter.

3.6 Administrative Procedures

In order to maximise the participation of chief executive officers in the research, written endorsement of the researcher's approach to them was sought from the Chief Executive Officer Consultative Group, established by government to broadly represent the interests of CEOs. This endorsement was in the form of a cover letter that also incorporated the imprimatur of the Curtin Business School.

The aim of the cover letter was to reinforce the veracity and importance of the research and support the researcher in his approach to chief executive officers to participate in the survey questionnaire and interview phases of the research.

The research was also promoted through an article in *Intersector* (Public Sector Management Office 29 July 1998)[6], the official magazine of the Western Australian public sector.

Absolute confidentiality and anonymity were guaranteed orally and in writing, in all dealings with CEOs. They were also given the option to comment on the accuracy of any transcripts resulting from interviews.

A mail distribution list for CEOs was down-loaded from the Ministry of Premier and Cabinet's web site. Prior to the distribution of the questionnaire surveys

---

[4] agencies with a cross-government administrative, policy or regulatory function
[5] agencies providing outputs (goods or services) directly to the Western Australian community
[6] See Appendix 1, p.194.

a fax was broadcast to all CEOs, marked to the attention of their personal secretaries. It foreshadowed the arrival of the survey questionnaire with the next two days and requested the cooperation of personal secretaries in ensuring that the CEO completed the survey. The researcher's telephone number was provided in the event of there being a query regarding any aspect of the survey.

Subsequently, survey questionnaires together with the endorsement cover letter were distributed to all CEOs. August was chosen as a strategic time for the execution of the survey questionnaire as it was a period that fell outside peak work-load times for CEOs, such as those associated with the preparation of annual budgets. A stamped and addressed, return envelope was provided for the completed questionnaire to be returned within two weeks.

Personal access to CEOs can be difficult. Campbell and Halligan (1992), who have had considerable experience interviewing senior public sector officers in Canada, the United Kingdom, the USA and Australia, provide three 'rules of thumb' aimed at improving success in securing interviews. The rules of thumb, summarised below, were deployed in the in-depth interview phase:

1. *the interviewer needs to associate himself with a recognised research centre in the interview city* - in this instance the interviewer was clearly associated with Curtin University Business School;

2. *researchers should avoid brush-offs from protective executive assistants and appointment secretaries* – all interviews were requested in writing to the CEO's personal secretary, with a short attachment outlining the research objectives and the research's endorsement from the CEO Consultative Group. The written requests were followed up by phone within twenty-four hours, in order to establish personal contact, and as a contingency if the fax had not been seen or has been misplaced; and

3. *move cautiously* – in some instances, persistence and patience was needed in order to get access to the CEO. Some interviews needed to be rescheduled or conducted in a less than ideal environment.

Using the above approach, a 100% success rate was achieved in gaining access to the CEOs selected in the sub sample for interview.

3.7 Ethical Issues

This research is primarily focused on people and their understandings, attitudes and behaviour. On this basis alone, close attention to ethical standards in research is required. The research sample cohort is small and comprises of the State's most senior bureaucrats. The potential for serious repercussions from any breach or perceived breach in the ethical aspects of the research is considerable.

The American Sociological Association Footnotes, 1982, quoted in Leedy (1989, pp.129-130) presents a 'Resume of a Professional Code of Ethics'. Some 'principles' in this code are relevant to this study and are listed below. Associated with these are strategies that were applied in the research as safeguards.

Table 3.2

Principles and Strategies for Ethical Research

Ethical Principles of Research	Research Strategies
a) Every person is entitled to the right of privacy and dignity of treatment	While every reasonable endeavour was made to maximise the number of chief executive officers participating in the research, their right to decline involvement was respected without challenge.
b) All research should avoid causing personal harm to subjects used in the research	All approaches to chief executive officers to complete the survey questionnaire and participate in personal interviews included formal correspondence that provided the research endorsement of the Ministry of Premier and Cabinet's CEO Consultative Group[7]. All formal interaction with research subjects was prefaced by: • an outline the purpose of the research and its potential benefit for public sector management; • a guarantee of anonymity and the strictest confidentiality; and • an invitation to discuss any concerns or queries regarding any aspect of the research.

---

[7] See Appendix 2, p.195.

Table 3.2 continued

Ethical Principles of Research	Research Strategies
c) Confidential information provided by a research subject must be held in strict confidentiality by the researcher	CEOs completing the survey questionnaire were not required to provide their names. In the analysis of personal interviews, language was phrased to be sufficiently general to avoid inferred association with any particular CEO. In a single instance, written permission was requested from one CEO to personally attribute quotations from this interview. This request was agreed to in writing[8].
d) Research findings should be presented honestly, without distortion	Verbatim transcripts resulting from personal interviews with CEOs were readily made available for validation by the interviewee before being subjected to analysis.
e) The researcher must not use the prerogative of a researcher to obtain information for other than professional purposes	As a public sector employee, the researcher did not include his own 'home' organisation in the survey sample. This negated any possibility of a perceived conflict of interest between his professional and academic interests.

[8] See Appendix 3, p.196.

CHAPTER FOUR

Standardised Research Validation Interviews

4.1 Introduction

The specific focus for this research investigation is chief executive officers in Western Australian public sector organisations. By undertaking a preliminary validation test of the research topic *in situ*, a contextually more appropriate and sensitive set of primary data collection instruments can be established.

The preliminary validation test took the form of a series of standardised research validation interviews (SRVI). The structure and contents of the questions used in the interviews had their genesis in the primary research questions. Specifically the SRVIs sought to validate the terminology and concepts which would be the foundation of the survey questionnaire to be distributed, later, to all chief executive officers.

Diagram 4.1

Standardised Research Validation Interviews
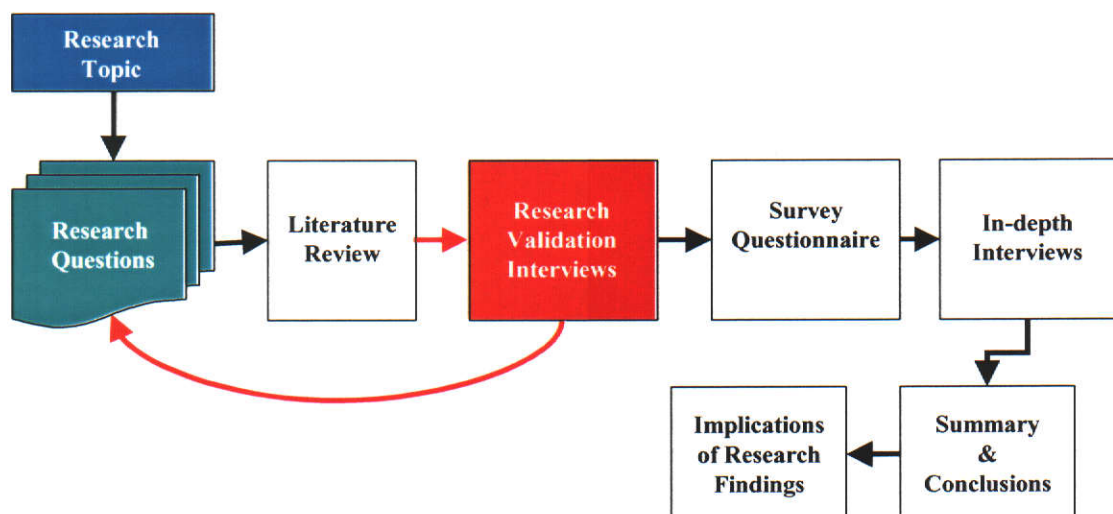
The specific objectives for the SRVI were to:

- gauge Western Australian senior public service officers' understanding of terminology and concepts central to the research topic;

- test the contextual relevance of the broad generic framework of transformational strategies available to chief executive officers in leading cultural change; and

- identify any Western Australian public sector nuances which might impact on the veracity of the research questions.

4.2 The Sample Group

The five person sample group interviewed was selected, at random, from Senior Executive Service (SES) officers in five Western Australian public sector organisations. To guard against any perception of a homogeneous sample which might stem from group members coming from similar workplaces, it was determined that the organisations selected would be diverse in their size and business functions.

The SES comprises all senior managers, level 9 and above in the public sector. Such public sector managers are likely to have regular, direct contact with the chief executive officer in their agency. Depending on the size of the organisation, it is possible that a SES member, at any classification level, could occupy a substantive or acting chief executive officer position.

In order not to invalidate or taint the primary research sample required for the survey questionnaire to follow, it was necessary to ensure that these executives were not currently acting in CEO roles. They did, however, all have considerable experience at a high level of public administration. By virtue of their experience as senior executives in the public sector, the group was in a position to provide insightful, critical responses to the interview questions.

The selected sample group consisted of four men and one woman. Three were level 9 officers and two were level C1 officers. These classifications represent the first two levels of the SES. Only one of the interviewees had prior experience as a substantive chief executive officer. In that case the position had been relinquished as part of an inter-agency restructure.

The agencies from which the sample participants came ranged in size from over 25,000 staff down to less than one hundred staff. The functional complexity of the agencies was equally diverse.

4.3 The SRVI Instrument

The instrument developed for the SRVI consisted of four standardised questions, set in advance of the interview[1]. All interviewees were asked the same questions in the same order. The structure of the questions was open-ended and as such, the interviewees had the opportunity to provide a diverse range of unprompted responses (see Table 4.1, p.66).

The strength of this approach was that it 'actually constituted a descriptive, analytical framework for analysis' (Patton, 1990, p.376). This was achieved because:

- respondents answered the same questions, thus increasing comparability of responses;

- instrumentation used in data collection was transparent for evaluation purposes; and

- the interview schedule facilitated the organisation of the data.

4.4 The Interview Process

The researcher, who also took the role of the field interviewer, first made contact with the interview participants by phone. During this contact the persons approached were given an overview of the project, and the objectives of the interview and then asked to participate. All agreed to be involved.

Subsequent to the telephone calls, a confirmation fax or e-mail was sent to each participant. The fax included a standard interview preamble and a request for permission to audio tape the interview. This was thought to be desirable in order to ensure the flow of the interview was not interrupted by detailed note taking and that important comments and specific quotations were accurately captured.

At the commencement of the interview, interviewees were asked if they had read the preamble. Without exception, all interviewees were clear as to the purpose of the interview, very willing to participate and agreeable to the interview being audio taped.

---

[1] See Appendix 4, p.197

In order to ensure spontaneous, unprompted responses from interviewees, the specific questions in the interview were not divulged before the event.

Table 4.1

Interview Objectives and Focus Questions

Interview Objective	Focus Questions
To gauge WA senior public service officers' understanding of terminology and concepts central to the research topic	**Question 1.** **Introduction:** The research relates to the role of chief executive officers in leading cultural change in public sector organisations. **Part A.** *'Leadership' is a much used imperative in relation to the role of chief executive officers today - how would you describe its characteristics?* **Part B.** *In an organisational context can you explain to me what you understand by the terms 'culture' and 'cultural change'?*
	Question 2. **Introduction:** Transformational leadership is a term used widely in studies today to describe how leaders might position their organisations to be successful in the context of a rapidly changing operating environment. *What do you think might be meant by a 'transformational strategy' as it relates to cultural change?*
To test the contextual relevance of the broad generic framework of transformational strategies available to chief executive officers in leading cultural change	**Question 3.** **Introduction:** Transformational strategies can be generally categorised as either: **Primary** (the physical, observable actions of leaders); or **Secondary** (mainly organisational processes) *Look at the strategies on the attached sheet and explain to me what you think they mean. Provide an example where possible.*
To identify any WA public sector nuances which might impact on the veracity of the research questions	**Question 4.** *In studying the role of chief executive officers in leading cultural change in Western Australian P.S. organisations are there any advice, issues or research method aspects that you believe need to be considered in the study?*

The interviewer worked directly from the SRVI instrument. In the case of Question Three, the interviewees were given a sheet listing the primary and secondary transformational strategies. This was done in order to reinforce the oral statement of the strategies by the interviewer and to provide the interviewee with a prompt, if they wished to return later to a particular strategy.

4.5 Data Analysis

In their practical book, *Qualitative Data Analysis*, Miles and Huberman (1994, p.50) strongly recommend qualitative data analysis in the early stages of a study. They said:

> It helps the field worker cycle back and forth between thinking about existing data and generating strategies for collecting new, often better, data. It can be a healthy corrective for built in blind spots. It makes analysis an ongoing lively enterprise that contributes to the energising process of field work.

The early analysis undertaken in this study flowed from the information collected in five interviews which took approximately one hour each to complete. Using audio tape recordings and summary notes taken during the interviews, general transcriptions were completed and returned to the interviewees with an invitation to make amendments as required. In only two instances were minor amendments requested.

The final data form was a combination of paraphrases, sentences, direct quotations and observations from the interviewee. The data was subsequently aggregated into a single document for further analysis.

Simple codes relating to 'examples' and 'definitions' of concepts and terminology were applied to the data. The codes were used in a reflective process to link salient information back to the objectives of the data collection exercise. Marginal comments were also made to highlight emergent themes or aspects from the information.

At all times, the focus of the data analysis[2] was the objectives upon which the interview questions were based. A clustering process, involving the 'clumping' of responses with similar attributes, was used to synthesise related themes from the aggregated data. Contrasting responses were also noted where they were judged to relate strongly to the objective of the interview question.

---

[2] See Appendix 5, p.204

Short and block quotations relating to each question were central to the analysis. They aimed to provide a richness to the analysis and to support the observations made by the interviewer.

Quotations were primarily presented verbatim. Colloquial language and jargon was included. Where a word or phrase was added to enhance the clarity of a quotation, enclosing brackets were used to identify the word. *Sic* enclosed in square brackets was used to denote errors in word usage by the interviewee.

Questions One and Two - Analysis

Questions One and Two of the SRVI aimed at gauging the interviewees' understanding of terminology and concepts central to the research topic. Part A of Question One specifically focused on the understanding of the concept of *leadership* and its relationship to the role of CEOs. A majority of the interviewees made the general comment that their views were personal perceptions of what constituted *good* leadership and what they would like to see in a CEO - not a theoretical perspective.

All interviewees held the view that some aspects of leadership were the specific province of CEOs. This was illustrated in the comments that 'leadership is not just the domain of the CEO but there are attributes that specifically relate to them' and that 'the organisation does really suffer without chief executive leadership and direction'.

All interviewees said that the creation and communication of the organisation's mission was a primary leadership role of the CEO: being a 'powerful communicator' and 'having the capacity to establish a shared vision or sense of purpose'. The importance of mission in the context of change also was expressed in terms of providing a 'sense of moving forward' and 'making it clear as to the reason for change'.

One interviewee sought to dichotomise the communication of mission, as a strategic part of chief executive leadership, contrasted to operational concerns: 'where it [the organisation] is heading, without getting into the nuts and bolts'.

Question One, Part B of the SRVI focused on the interviewees' understanding of the concepts of *organisational culture* and *cultural change*. All interviewees expressed the view that the concept of organisational culture was multifaceted and central to how an organisation functions. One person said; 'it is what makes an

organisation tick' and '[culture] has been applied to everything from the modus operandi to the feel of a place - in common parlance, and in terms of staff, it relates more to feel - esprit de corps - how we behave'.

More specifically, culture was defined by one interviewee as:

> Norms, values and attitudes collectively - it's the way people look at problems, treat each other, the way they view their job, the way they relate to their environment. The way they think about what they are there for - it is fundamental - unspoken, implicit norms that become built in features of an organisation. It is real.

Examples illustrating organisational culture included: 'people building a culture that is people focused and supportive of business goals and objectives' and 'dimensions include the authoritative versus laissez faire approach and the level of expectation for staff participation in decision making'.

Interviewees were consistent in the opinion that cultural change related to a conscious decision by the chief executive to change culture in order to better align it with organisational objectives. Two views were: 'where the CEO assesses that the organisation is not where he/she wants it to be or go - change of culture then comes into it' and 'the movement to better alignment of culture to meet the objectives of the organisation'.

In an opposing view on the importance of alignment, one interviewee differentiated between technical aspects of change and the feel/behavioural aspects of cultural change: 'the feel side you can change no matter what the technical background'.

One example of cultural change in an organisation was related to 'improving morale and working relationships and to improving productivity/customer service because the old culture might be counter productive.'

Several interviewees expressed the view that the achievement of cultural change by a chief executive was difficult and required persistence. This is particularly the case in the public sector which has its own unique problems:

> Working in the Government sector is possibly one of the hardest jobs you can do as a chief executive officer because you are under more scrutiny than the private sector. You have political accountability mechanisms that can change from day to day.

Question Two of the SRVI again aimed to gauge SES officers' understanding of concepts and terminology – in this case *transformational strategy*. Overall, the question elicited a uniform but qualified interpretation of the phrase. It was strongly evident from all interviewees that a transformational strategy was regarded as one relating to a change of a very significant magnitude that might only be precipitated by a powerful change strategy or collection of change strategies. Representative comments included:

> ....[transformational strategy] implies a revolutionary change from one state to another, rather than something that might be more continuous and evolutionary and subtle

> and

> Something designed to take the organisation into a different realm or paradigm. It is strategy that is fundamental and on a radical/big scale. It is not just incremental.

A comprehensive example of a CEO's application of a range of transformational strategies was provided in the following example from an interviewee:

> ...[the] CEO paints a vision of where he wants to go and then provides thoughts on how that might be achieved - principles to processes and ultimately to structures which actually lead to a structural change and a *different animal* from where you started - so you could say that this is a transformational strategy.

Two other significant observations made about the use of transformational strategies point to their application in ways that do not always have any apparent, strategic intent. Firstly, transformational strategies may relate to structural changes in an organisation that might not impinge on organisational culture. Secondly, transformational strategies sometimes become ends in their own right without any particular focus or outcome:

> Change is often seen as an ends [*sic*] in its own right and there is a danger of being captured by process - frameworks should be built to handle ongoing change - these should be just tools - need to focus on the *game you are in* - tools should not dominate and should be discarded if they are not appropriate. Recognise that people are central to any process.

<u>Question Three - Analysis</u>

Question Three of the SRVI aimed at testing the contextual relevance of generic transformational strategies identified from the literature as being available to CEOs in leading cultural change. Interviewees looked at two short lists of generic strategies relating to primary and secondary strategies respectively. They were asked to explain the meaning of the strategies and provide examples where possible.

Presented below are responses to each generic strategy. The summary incorporates quotations relating to the meaning or intent of the strategies. A further selection of quotations is also presented to demonstrate the conceptual application of the strategies, particularly as they might work in an organisational change context.

<u>Primary Transformational Strategies</u>

Primary transformational strategies relate to the observable actions or behaviours used by leaders to bring about change in their organisations.

<u>What the leader attends to</u>

The interviewees uniformly agreed that this strategy could cover a large area of CEO transformational leadership activity. Several interviewees reflected that the strategy could be linked to some of the other primary transformational strategies. One interviewee commented: 'what the leader attends to covers a huge area - generally - a good shopping list'.

A representative view of what this strategy meant was: 'what he or she [CEO] considers important to put time into. For example, the in-tray - what will CEO do - there is only so many hours in the day'.

Some insight into the utilisation of this strategy, in the context of change, is provided in the following comment:

> A thing that I have noticed about CEOs who have been successful in
> transformation is their ability to deal with staff questions such as where they fit
> in relationship to a change and their discomfort or grievances in relation to new
> structures - not being frightened to clarify things or say I don't know.

<u>How the leader reacts to crisis, success and failure</u>

The comment was made that there is a lot of risk associated with organisational change. Panic or out of control reactions by the CEO can be perceived by staff and

stakeholders as negative. Alternatively, being 'unflappable' and portraying a sense of calm is a positive attribute.

Examples of crisis behaviour are illustrated in the following statements: 'acceptance of failure or come down on staff like a ton of bricks' and 'does the leader blame every body and look chaotic or calmly assess how the crisis arose and problem solve it'.

Using success and failure as a learning tool was a sentiment conveyed by the majority of those interviewed. Said one interviewee: 'following a learning orientation - having interventions [from the CEO] that treat success and failure as learning experiences for the organisation'.

By contrast, chief executives in a change context can also adopt a restrained approach to the handling of success and failure: 'treating success or failure similarly, not as a celebration - almost a down-playing. Successes are made known but not a lot of fanfare'.

Observed criteria for allocating rewards

Transparency and consistency were identified by a majority of interviewees as important criteria for allocating rewards. Most interviewees believed CEOs could use reward systems as a means of communicating organisational values. For example:

> If people see that the focus of a reward system is on staff contributions to the organisation rather than individual merit they might then perceive reward allocation as having a broader organisational or team orientation.

and

> ...providing encouragement even when things are not successful - encouraging people despite a failure that lifts the esprit de corps and keeps people on track.

How leaders select, promote and remove staff

Two interviewees pointed out that how CEOs select, promote and remove staff and the values inherent in such processes was regulated to a significant degree by government equal employment opportunity guidelines and the Public Sector Management Act. One interviewee commented that: 'sometimes good leaders distance themselves from the process - they do not want to be perceived as meddling - just following procedures'.

Another interviewee said there is a need for '[a] more open, performance focus with rhetoric matching the reality of the process - at the moment people feel that things are done in various, unspoken ways'.

Selection, promotion and removal of staff can be difficult for CEOs in times of rapid change. Said one interviewee:

> ...[there] seems to be an emerging model of weeding out dead wood in times of change. Some organisations need to downsize rapidly but how CEOs deal with staff is fundamental. People must be led, helped and challenged and supported to depart.

Role modelling

Several of the interviewees suggested that role modelling could be linked back to the strategy of what the leader intends to do. Role modelling was generally seen as the extent to which the CEO leads by example and could be depicted as: 'walking the walk and talking the talk'.

Examples of role modelling included:

> Symbolic acts such as the CEO using a particular moment of a crisis or success or failure to model a preferred way that they would deal with a matter so that staff can see that when a crisis happens this is how the CEO will act and become accustomed to it.

and

> ...setting some parameters with the executive group about open communication and regular meetings and agendas.

Secondary Strategies

Secondary strategies relate to generic organisational processes, structures, the physical environment of an organisation or other matters that may not be directly attributable to the observable actions or behaviours of the chief executive officer.

Design of organisational structure

The design of organisational structures relates to the functional arrangement of the work groups within an agency. One interviewee defined this strategy in terms of a dichotomy of a hierarchical organisational structure compared to a flat organisational structure. The analogy of an authoritarian versus an egalitarian management culture was, in turn, applied to these structures.

Two interviewees described how the design of organisational structure could be used by the CEO to encourage changes in peoples' behaviour: 'designing the

structures to support cooperation rather than putting people in silos' and 'developing flatter structures that help empower people at a lower organisational level'.

The observation was also made that it is CEOs who ultimately have the responsibility for determining the organisation's structure:

> ...[the] CEO has a strong influence on that – at the end of the day he has to decide whether he agrees with it or not – it has to be determined whether the structure is imposed or generated collectively – it has to be owned by the CEO.

Organisational systems and procedures

'How the business of the organisation is regulated, its rules and the extent to which they are defined' was how one interviewee encapsulated the meaning of this strategy.

The handling of organisational systems and procedures was also linked directly to the quality of chief executive officer leadership: 'I have observed that CEOs will live with what they have got. In terms of being a good or successful leader, others will identify deficiencies and make changes happen.'

One example relating to this strategy was '[a] minimal amount of prescription and rules [by the CEO] – so that you are sending a clear message to people about things not getting clogged up and the value of autonomy and using personal initiative'.

Facilities and physical space

All interviewees regarded CEOs' utilisation of the facilities and physical space within the organisation, as important to the achievement of a variety of management outcomes. One comment was that '[they are] important to what the leader might be trying to develop in terms of a sense of organisational spirit with the whole organisation working towards a common goal'.

Several interviewees commented that CEOs could utilise space and facilities in a symbolic way to emphasise certain organisational values and the culture they want to exist:

> One strategy might be to make space extremely flexible so as to place an emphasis on responsiveness to change. You can send a message about the way we see people in an organisation by the way the physical space is organised.

> and

Sometimes CEOs can use space symbolically to promote a particular operating style, for example open area, team working relationships.

It was also noted that the facilities and space utilised by public sector organisations was largely predetermined by government and that to make significant changes: 'the CEO would need to be prepared to go in to bat with the Minister in order to improve facilities'.

Formal statements about 'our role and the way we do things around here'

All interviewees were of the view that formal statements about our role and the way we do things around here were common in the public sector organisations: 'in the public service we have a love for strategic statements such as business plans and strategic plans'. In addition to the previously mentioned formal statements, charters, mission statements and corporate plans were also identified.

Interviewees were qualified in their judgement of the value of formal statements, as a strategy for bringing about a cultural change in an organisation. If formal statements were to be of value, they needed to strongly express organisational values and staff needed ownership of them.

Two examples of the use of formal statements were:

...statements can be used to speak in a direct way, rather than like a traditional policy statement. - part of the culture is that people don't make strong personal statements about things - if you want to shift the culture this might mean making statements that have feelings and passion behind them - something that · is heartfelt.

and

...in terms of a style, some leaders would regard them as a waste of space and others would regard them as a clear way of expressing what you want to achieve.

Stories, rituals and legends

Interviewees regarded stories, rituals and legends as tales from the past relating to how an organisation approaches its business. Such stories were regarded as providing a context for change: '(they) are important in order to put history and past records in the context of the new - if you don't the past will slowly undermine you'.

One interviewee said that: 'the leader can use [stories, rituals and legends] them selectively to move an organisation in a particular direction. Contrasting

examples of the use of this strategy were provided by two other interviewees:

> ...stories related to things done for the customer and a positive service ethic - if you can build stories around this then you can shift the culture away from the type of negative stories about people who have made a mistake

and

> ...negative stories about painful restructures can be used for positive cultural outcomes for example 'and the CEO did this..' – something they (the staff) really hated.

Question Four - Analysis

Question Four focused on the identification, by interviewees, of any Western Australian public sector nuances that might impact on the research questions. Interviewees were asked if they had any advice, issues or research method aspects that should be considered in the study.

The responses provided to this question were broadly categorised into four groups based on factors that may impact on the leadership of change by chief executive officers.

Regulatory impacts

Regulatory impacts relating to Parliamentary statutes (laws) or regulations that might influence how a chief executive officer approaches cultural change in his or her organisation. Interviewees identified the following Acts and regulatory requirements:

- The *Financial Administration and Audit Act*;

- The *Public Sector Management Act 1994* (Section 29 - Functions and Powers of the CEO);

- Auditor General performance reporting instructions; and

- Chief Executive Officer Performance Agreements.

Implicit in the responses from the interviewees is the perception that CEOs in the public sector may be constrained in leadership initiatives related to cultural change by various Acts of Parliament, government instructions or statutory performance reporting requirements. It is felt that public sector CEOs have much less flexibility than their private sector counterparts.

<u>High level reports</u>

One interviewee pointed out that there have been several very significant whole-of-government commissions in recent years which have contained specific recommendations, endorsed by government, which might have considerable impact on the chief executive leadership roles. The two commissions identified were:

- Commission to Review Public Sector Finances 1993; and

- Commission on Government in Western Australia 1996.

<u>The governments political agenda</u>

Several interviewees felt that CEOs' attitude and level of commitment to the leadership of cultural change may not be a priority by comparison with their responsibility to implement the Government's agenda as it related to their organisation's core business:

> When CEOs start thinking about cultural change they might think about the Government's agenda because they are running a public sector organisation. They might start thinking about how they can be a CEO who is working in line with the Government's direction. This might be too superficial.

> [You] might get responses from CEOs which are about implementation of initiatives which are to do with the Government's agenda rather than deeper organisational issues - responses may not be as rich as you want.

and

> [You] need to take note of the practical environment for example Government's policy platform – CEOs are here to serve without fear or favour. There are catch cries in the public sector of what Government wants to deliver on – CEOs must take these on board.

<u>Managerial change theory</u>

A number of change agendas emanating from management and leadership theorists, as well as Government's push for reform and macroeconomic pressure have provided an important context for research into CEO leadership of change. One interviewee suggested that such contexts be taken into account in this study:

> I feel much of the role of CEOs has become institutionalised or corporatised. This together with pressures of responding to political imperatives has made the public sector very conservative and often defensive. I suggest research be done into forms of leadership as they are affected by institutions and institutional arrangements. There is a Canadian guy giving a series of 5 lectures on National Radio...he says much of what we see in western society is domination by the group or corporation which leads to strong self interest and an often ideologically driven approach. For example market economics, core business, outsourcing etc.

4.6 General Discussion

The response pattern to all questions in the SRVI was uniformly strong and provided a sound basis for judging the achievement of the interview objectives.

Interviewees had clear and similar views on *leadership* characteristics associated with CEOs. Characteristics such as 'communicating the vision' and 'bringing the staff along' typified the transformational leadership style implied by the interviewees and identified in contemporary management theory.

Organisational *culture* and *cultural change* was acknowledged by all interviewees as important to 'what makes the organisation tick.' The varied and detailed responses relating to these terms indicated a general appreciation of the complexity of organisational culture and that it manifests at both superficial and deeper levels within organisations.

The examples used by most interviewees indicated that they perceived that chief executives were actively leading cultural change in their organisations. It was unclear however whether this cultural change was a consequence of other objectives or a planned strategy.

A majority of interviewees interpreted *transformational strategy* literally, as a strategy relating to large scale, revolutionary change. This is at variance with a theoretical view of transformational leadership and transformational strategies as also pertaining to more subtle, incremental shifts in organisations away from the status quo.

A CEO's ability to define *transformational strategy* is not critical to this study. What is important is that they have sufficient guidance in the primary data collecting instruments to be able to identify such strategies and relate them to a cultural change context. It is concluded, therefore, that *transformational strategy* needs to be defined in the survey questionnaire and should encompass both substantial or revolutionary change as well as evolutionary and incremental change.

Question Three of the interview schedule sought to test the contextual relevance of a range of generic transformational strategies identified as being available to CEOs to bring about cultural change in their organisations. Once adjusted to interpreting these strategies from the perspective of a chief executive

officer, all interviewees were able to provide specific examples of the generic strategy.

With one exception, the meaning or intent of all strategies were self evident as demonstrated by the examples provided. Even so, appropriate definitions were given for eight of the ten strategies.

The first primary strategy listed, *what the leader attends to,* appeared to be ambiguous as evidenced by several interviewees' requests for clarification and the length of time taken to provided responses. The phrase seemed to be too general. It is recommended that the strategy be phrased as *what leaders systematically pay attention to on a regular basis* in the survey questionnaire.

One interviewee felt that there was no strategy that related to *the provision of feedback and information* to staff wanting to know what is happening with the major strategic issues in the organisation. It is the view of the researcher that these behaviours, which generally relate to communication, could be linked to any of the primary strategies. The CEO's '.. ability to deal with staff' and 'not being frightened to clarify things' were examples of strategies provided by interviews which generally reflected a recognition of the importance of effective communication.

It was also queried whether the strategies of *recognition* and *celebration* were covered by the generic strategies. It is argued that these strategies are too specific and could be covered under *observed criteria for allocating rewards; what the leader attends to; selecting, promoting and removing staff;* or *role modelling.*

The final question of the interview schedule aimed at identifying public sector nuances which might impact on the veracity of the research questions. While not providing any new insights, the information offered did confirm a range of aspects that had already been identified as important to the study. The information was helpful to the researcher in affirming the contextual basis for the primary research questions. It was also used later as a cross reference to responses from the survey questionnaire and in the shaping of the final stage of data collection involving in-depth interviewing.

The final question also provided interviewees with the opportunity to challenge or query any aspect of the study. No explicit or implicit remarks were offered.

4.7 Conclusions

Given that those interviewed did not have any forewarning of the questions to be asked of them, the ease with which they discussed the concepts and terminology central to the study is a strong indicator of their validity and relevance. The depth and breadth of examples that were provided in the interview is evidence that such concepts and terminology were actually understood and applied by these officers in their senior management roles.

The data collected in the SRVI led the researcher to the following conclusions:

1. Based on their definitions, explanations and examples, all of the senior public servants that participated in the interview exhibited a clear understanding of most of the terminology and concepts central to the research topic. There was some misunderstanding regarding the term *transformational strategy*. A definition of the phrase will be incorporated in the survey questionnaire.

2. The number and depth of examples provided in response to the generic transformational strategies were evidence of their relevance and appropriateness. Only one strategy requires modification and no additional strategies emerged as sufficiently distinctive to add to either list.

CHAPTER FIVE

Survey Questionnaire

5.1 Introduction

As summarised in Chapter Three, the standardised research validation interviews (SRVI) were designed to contextually check senior public sector officers' general understanding of the research topic, questions and key terms from the literature review. The outcomes of the SRVI were to provide direction for the structure and content of a subsequent survey questionnaire.

The survey questionnaire was the pivotal data collection process as it focused on all of the State's public sector CEOs and aimed to identify emerging concepts relating to the four main research questions (see Chapter Three, p.50). The findings of the survey questionnaire provided the basis for the subsequent in-depth interviews.

This Chapter will describe the survey questionnaire sample, instrument, implementation process and approach to data analysis. Data relating to each survey question is detailed and analysed. Conclusions are then drawn from the analysis and linked to the four main research questions.

Diagram 5.1

The Survey Questionnaire
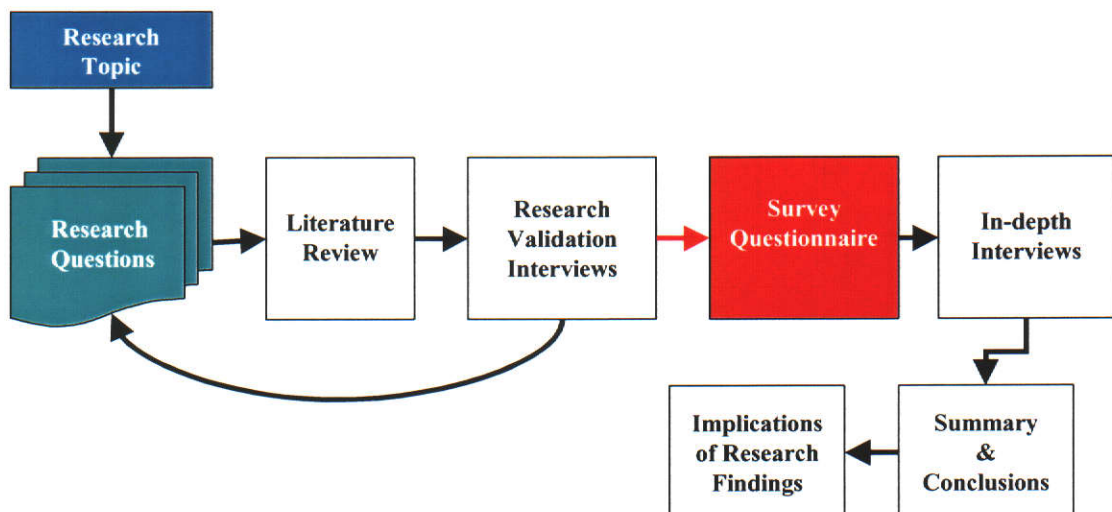
5.2 The Sample

The research sample to receive a copy of the survey questionnaire comprised all Western Australian public sector CEOs. CEOs, as defined in the *Public Sector Management Act 1994*, are the officers responsible for managing public sector organisations. As such they have the ultimate authority to plan for and lead cultural change in their organisations.

The Ministry of Premier and Cabinet (1998b) provided the researcher with a list of all CEOs appointed under the *Public Sector Management Act 1994*, as of the 3 September 1998. The list identified eighty-five CEO positions of which sixty-seven were substantively filled by CEOs and eighteen temporarily filled by acting CEOs. All CEOs received the survey questionnaire, irrespective of substantive or temporary status.

5.3 The Survey Questionnaire Instrument

The survey questionnaire was a fold-out, six panel, A4 document[1]. It consisted of eighteen questions, variously sub-divided into forty-four response items.

The survey questionnaire contained open ended questions, questions using 'Likert' type attitudinal scales, a question incorporating a combination of yes/no and descriptive responses, and demographic questions with multiple choice options.

The format of the questionnaire survey was generally modelled on a 1991 ethics survey of 452 Western Australian public sector, middle level managers and ministerial advisers (Curtin University of Technology 1991).

The questions in the survey questionnaire were structured to reflect the four primary research questions which relate to CEOs' views about the:

- characteristics of CEO leadership in the public sector;

- concepts of organisational and cultural change in public sector organisations;

- use of transformational strategies to bring about cultural change; and

- importance of bringing about cultural change as part of their role.

An additional set of questions applied to demographic aspects of the survey sample.

---

[1] See Survey Questionnaire, Appendix 6, p.207 presented in modified format.

The survey questionnaire opened with a guarantee of confidentiality and anonymity for the respondents. In keeping with the outcomes of the SRVI, a definition of *transformational strategies* preceded that part of the survey.

A draft of the survey questionnaire was trialed with several members of the SRVI group to determine any aspects needing refinement.

5.4   The Survey Questionnaire Process

It was determined that the survey questionnaire should be distributed during the month of August. This is an optimum time for CEO availability – taking account of their onerous internal agency and statutory obligations that leave time for responding to questionnaires at a minimum.

Twenty-four hours prior to the distribution of the questionnaire survey a facsimile was dispatched to each CEO marked to the attention of their Executive Assistant or Personal Secretary[2]. The purpose of the facsimile was to provide advanced notice of the questionnaire survey that would arrive within two days and to seek cooperation in ensuring that the CEO or person who might be acting in that position, completed and returned the document.

It should be noted that in several instances personal secretaries contacted the researcher where questionnaire surveys had not arrived due to changes in postal addresses. In these cases additional surveys were dispatched resulting in a completion rate that may otherwise not have been achieved.

Eighty-five survey questionnaires were distributed by mail accompanied by a letter of endorsement for the research[3] and a stamped, self addressed envelope. CEOs were given ten working days to respond to the survey. In fact, several survey questionnaire documents were returned well after the due date with apologies from the CEOs who had either been away or too busy to complete the surveys earlier.

Fifty-five CEOs' responses, or 64.7% of the sample group, completed and returned the survey questionnaire. By comparison to other survey questionnaires

---

[2] See Survey Questionnaire Facsimile, Appendix 7, p.213
[3] See Chapter Three p.61 and Appendix 2, p.195

distributed in a similar context[4], this rate of return is regarded as very acceptable (Caruana, Ramaseshan & Ewing 1997; Curtin University 1991).

5.5 Data Analysis

As noted in Chapter Three, this research combines mixed methodologies within a predominantly qualitative exploratory framework. Some quasi quantification of data is used, but as a means of examining issues and concepts emerging out of the analysis of descriptive, written responses to open ended survey questionnaire items and quotations from interview transcripts.

Survey questionnaire analysis in this chapter will focus on:

1. written responses; and

2. elementary quantitative data presented in a variety of graphic forms. It must be emphasised that the graphs represent only the most simple means of presenting questionnaire survey data with no attempt, for example, to cross tabulate graphic data sets. CEOs' perceptions on the possible relationships between some data sets are noted in Chapter Six and analysed further in Chapter Seven by the researcher. In some instances where survey items have included quantifiable and descriptive elements together, graphic and written analysis are also presented together.

Question One

What do you believe are the most important characteristics of chief executive officer leadership in the public sector?

Any understanding of CEOs' perceptions of the leadership of cultural change in public sector agencies need to be grounded in the investigation of their perceptions of 'leadership' characteristics in general. As foreshadowed in the SRVI (Chapter Three, p.56), such perceptions are derived primarily from CEOs' personal experiences in the role and working generally in the public sector, rather than theoretical perspectives. The influence, however, of theoretical constructs on such perceptions cannot be discounted.

---

[4] Ethics (1991) and market orientation (1997) questionnaire surveys, distributed to senior executives in the Western Australian and Australian public sectors, accomplished 45% and 45.6% response rates respectively. Those response rates were regarded as 'acceptable' for surveys of that kind.

The leadership characteristics described in responses to this question were scanned and subsequently 'clustered'. Miles and Huberman (1994, p.249) define clustering as 'the process of inductively forming categories, and the iterative sorting of things – events, actors, processes, settings, sites – into those categories. …clustering typically relies on aggregation and comparison'.

Clustering of the leadership characteristics resulted in the identification of several leadership process (activities) clusters and a single cluster describing leadership attributes (qualities). Process and attribute responses were then extracted verbatim and pasted into a table. Multiple instances of similar responses were quantified within the table.

Responses were then analysed in order to identify recurring patterns, concepts or holistic views that pull together the individual pieces of information. The emergent concepts were given a generic title that unambiguously captured the leadership processes or attributes identified by the respondents.

Processes were assessed systematically to identify those that related to more than one concept. Where this occurred, the 'criticality' of a process, in differentiating a concept was determined and shuffled accordingly (see Table 5.1, p.86).

In summary, a majority of the leadership processes and attributes identified by CEOs were consistent with the theoretical construct of a 'transformational leader'. For example:

- setting and communicating organisational vision and direction;

- understanding and attending to the needs of stakeholders and customers;

- aligning strategy to vision, services and resources; and

- focus on empowering, inspiring and motivating staff.

The recurring identification of the leadership attributes of integrity, ethics and courage are perhaps is indicative of tensions that may be associated with the CEOs' dual responsibilities for implementing Ministerial policies plus management of the day to day and long term needs and expectations of the community.

Table 5.1

Important Characteristics of CEO Leadership in the Public Sector

Concepts	Sample Responses
Processes	
Developing and communicating vision	• [create] vision & direction (20)* • develop & communicate vision, selling the vision • clear vision which meets all stakeholders' requirements - leading to development of objectives (2) • ability to see the big picture
Stakeholder and customer leadership	• influence the Minister & community • understanding customers and the market • ability to understand and negotiate the very complex political and community environment in order to be better positioned in a time of change • undertake key agency negotiations with principal stakeholders • able to 'navigate' the public sector • networking with other CEOs
Setting strategic direction	• strategic management & integration (2) • long term planning • align resources • ability to force linkages between day-to-day projects and the grand vision • taking a proactive role in policy development, being well informed technically and politically and delivering practical options for government, ensuring your agency is well resourced with talented, progressive thinkers and doers. Ensuring major stakeholders understand your direction.
Staff leadership	• motivate others • modelling new/desired approaches • In a resource constrained environment, facilitate, coach, empower staff (3) • capacity to bring people together as a cohesive team, create passion in the tasks of the organisation, commitment to succeed, continue against the odds, change is not easy • manage the tensions of change
Attributes	
Personal leadership qualities	• honesty/integrity (11) • capacity to inspire/motivate (7) • visionary (4) • commitment (3) • prepared to take risks (3) • ethical (6) • political savvy (2) • courage to do what is best for the sector irrespective of personal consequences (6) • acting with tact, diplomacy and firmness of purpose in conducting relationships with stakeholders

* number of times identical responses were recorded

In a public sector organisational context what is your understanding of the terms 'culture' and 'cultural change'?

CEOs were asked to consider their responses in the context of the public sector workplace, not from broader theoretical or societal perspectives. Again a clustering and concept identification approach was used to capture CEOs' understanding of these terms.

CEOs generally regard culture as the underlying values and behaviours that influence the way an organisation goes about it business. Recurring descriptors included:

- attitudes
- values
- beliefs
- behaviour
- ethos

The underlying values and behaviours were variously described as relating to individual people and groups within public sector organisations. How the organisation went about its business was perceived in relation to internal organisational processes and external relationships.

The general sentiment of responses is illustrated in the following quotation extracts:

'values and assumptions by which people live in the public sector'

'ethos, values, modus operandi as applied to mission/strategies/operational policies'

'the "way things are done around here" - easy to tell when a boundary is crossed because people get upset but cannot generate a logical reason why'

'pattern of shared assumptions and beliefs from group member to group member and refined collectively - a common view of how to behave'

'mutually agreed set of values and methods of working/shared attitudes and accepted precedents'

'the look and feel of an organisation, the heart and spirit driven by values/behaviour and characteristics of key people'

'the way people in an organisation "approach things, do things and interpret things". It can be read through behaviours, organisational dynamics, structure, stories and processes and is reflective of the organisations values and beliefs'

CEOs' understanding of the concept of cultural change primarily related to the re-alignment of values and behaviours within an organisation to:

- mission, corporate direction and outcomes;
- community and government expectations; and
- improved efficiency and effectiveness.

Quotations representative of these re-alignments are:

'ability to shift organisational values, mission and behaviours from current culture to new'

'ensuring flexibility/awareness to respond to changing circumstances with internal cohesion and a shared, common focus'

'changing traditional methods to meet evolving government needs and community expectations'

'way staff need to be conditioned to produce desired organisational culture to reflect customer focus, accountability and achieving goals'

'attitudes of staff, structures and methods of operating to achieve desired outcomes'

'change of attitude or approach such that work efforts are redirected towards what the community wants'

'alignment of norms, attitudes and behaviours with new or preferred paradigm or vision'

'process by which the underlying values, assumptions and beliefs are confronted to bring about change in behaviour'

'process of changing individual and collective behaviour, norms and values which are displayed'

'major change in direction of how an organisation sees itself and approaches its corporate goals - a process that requires leadership from the top and involves staff at all levels'

'a planned and clearly articulated move from one set of values and expectations to another requiring overt activity'

're-aligning attitudes and organisational structures to fit the vision and objectives of the organisation'

'a shift to new ways of working - paradigm shift'

'the implementation of a range of formal and informal strategies in which peoples beliefs and values in an organisation are influenced and a change in the way people do things and interpret things occurs. This results in or coincides with a change in organisational processes, stories, approaches'

Several respondents referred to cultural change as representing a paradigm shift in thinking and behaviour. Another respondent referred to the 'holistic' nature of programs required to bring about cultural change while another referred to cultural change as a 'buzz phrase with little substance – scrapping outmoded work practices and introducing work practices and introducing efficiencies relevant to today'.

In summary, CEOs' understanding of organisational culture and cultural change are consistent with theoretical constructs. CEOs' questionnaire survey responses do not, however, allude specifically to the multidimensional and evolutionary nature of organisational culture detailed in the literature (see Chapter Two, pp.32–33).

Question Three

Please examine each of the broad, transformational strategies described below. Please rate each in terms of their potential effectiveness as a means of bringing about cultural change in a public sector organisation.

CEOs were asked to rate the potential effectiveness of eleven strategies, identified in literature as significant to leaders in achieving cultural change in their organisations. The strategies were divided into two groups. Primary strategies (directly associated with the leader's behaviour) and secondary strategies (influenced by the leader on a more indirect level).

All of the six primary strategies were regarded as potentially effective in bringing about cultural change (80% - 96.3% range)[5]. *Role modelling by the CEO* was identified as the most highly effective (67.2%), followed *by what CEOs systematically pay attention to on a regular basis* (63.6%)[6]. See Graph 5.1.

Graph 5.1

Question 3 [items 7-12] Potential Effectiveness of Primary Strategies as a Means of Bringing About Cultural Change in WA Public Sector Organisations N. = 55

---
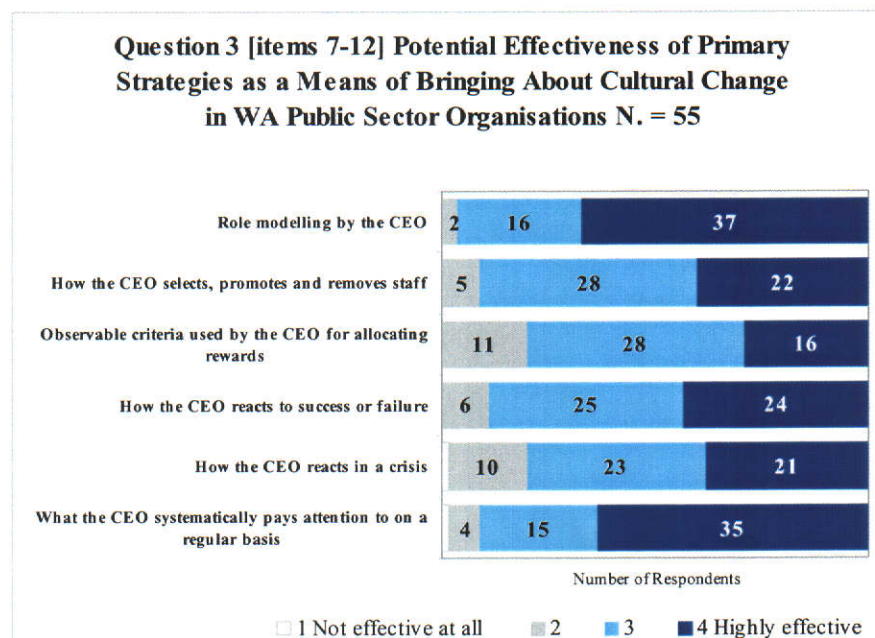
[5] Based on respondent choice of categories 3 and 4 on Q.3, items 7 – 12 (see Appendix 6, p.209)
[6] Based on respondent choice of category 4 on Q.3, items 12 and 7 (see Appendix 6, p.209)

Respondents regarded three of the five secondary strategies as potentially effective in bringing about cultural change (58% - 89% range)[7]. *Organisational processes and procedures* was identified as the most highly effective (41.8%), followed by the *design of organisational structures* (29%)[8].

The potentially ineffective primary strategies were *stories, rituals and legends* (54.5%) and *facilities and physical space* (50.9%)[9]. See Graph 5.2.

Graph 5.2

Question 3 [Items 13-17] - Potential Effectiveness of Secondary Strategies as a Means of Bringing About Cultural Change in WA Public Sector Organisations N. = 55

Strategy	1 Not effective at all	2	3	4 Highly effective
Stories, rituals and legends	14	16	13	12
Formal statements about 'our role and the way we do things around here'	4	18	23	9
Facilities and physical space	3	25	26	
Organisational processes and procedures		7	25	23
The design of organisational structures	2	5	32	16

Number of Respondents

☐ 1 Not effective at all   ▪ 2   ▪ 3   ▪ 4 Highly effective

Question Four

Have you ever used any of the following transformational strategies as a means of bringing about cultural change in a public sector agency? If so please provide a specific example of what you did.

Question four examined the extent to which the CEO respondents put into practice the primary and secondary strategies previously identified as potentially effective in bring about cultural change.

---

[7] Based on respondent choice of categories 3 and 4 on Q.3, items 13, 14, 16 (see Appendix 6, p.209)
[8] Based on respondent choice of category 4 on Q.3, items 14 and 13 (see Appendix 6, p.209)
[9] Based on respondent choices of categories 1 and 2 on Q.3, items 17 and 15 (see Appendix 6, p.209)

At least 50.9% of all CEO respondents had, at some stage, used all of the primary and secondary strategies to bring about cultural change in their organisations (see Graph 5.3). The most favoured strategies were:

Primary strategies

- *what CEOs systematically pay attention to on a regular basis* (94.5%);
- *role modelling by the CEO* (89%); and
- *how the CEO reacts to success or failure* (87%).

Secondary strategies

- *the design of organisational structure* (89%);
- *organisational processes and procedures* (89%); and
- *formal statements about 'our role and the way we do things around here* (78.1%).

Graph 5.3

Question 4 [Items 18-28] - The Extent to Which CEOs Use Primary and Secondary Strategies to Bring About Change in WA Public Sector Agencies N. = 55

Strategy	Yes	No
What the CEO systematically pays attention to on a regular basis	52	3
Role modelling by the CEO	49	6
How the CEO reacts to success or failure	48	7
How the CEO selects, promotes and removes staff	47	8
How the CEO reacts in a crisis	42	13
Observable criteria used by the CEO for allocating rewards	36	19
The design of organisational structures	49	6
Organisational processes and procedures	49	6
Formal statements about 'our role and the way we do things around here'	43	12
Facilities and physical space	38	17
Stories, rituals and legends	28	27

Number of Respondents

■ Yes ■ No

In summary, all listed primary strategies for bringing about cultural change in an organisation were regarded as potentially effective and had been used by a significant majority of CEO respondents to the questionnaire. This result is supportive of the claim in research literature that the identified strategies are important tools that are actively being applied by CEOs in their leadership of cultural change.

Three of the five secondary strategies were regarded as potentially effective but all had been used by a majority of respondents to bring about cultural change.

Two conspicuous contrasts existed in this group between the potential effectiveness and actual use of the strategies. 40% of respondents regarded *formal statements about 'how we do things around here'* as potentially ineffective but that strategy had been used by 78.1% to bring about cultural change. 50.9% of respondents regarded *facilities and physical space* as potentially ineffective but that strategy had been used by 69% to bring about cultural change.

The fact that these strategies are widely utilised by CEOs, yet have a significant ineffectiveness rating, may be explained in terms of their dependency for success on other factors. For example, written statements might not be effective unless CEO role modelling supports them. The impact of facilities and space might only be effective if complemented by effective organisational processes?

The following quotations demonstrate how the CEO respondents applied the two most favoured primary and secondary strategies. Ten quotations from each of the four items were selected using the criteria of diversity – to show a cross section of examples.

Most Favoured Primary Strategies

what CEOs systematically pay attention to on a regular basis

'respond to client/staff enquiries within 1 working day'

'I trust people when I am confident despite their own uncertainties'

'I pay attention to certain specific processes encouraging managers to develop tactics for change'

'mostly attention to agreed PIs [performance indicators] at all levels of the organisation'

'attention to customer service - including detail and process'

'deliberate focus on private sector issues and less attention on public sector - this changed the organisation to be externally focused'

'I focus on tasks that have significant strategic and policy directions - I am always available to be involved in initiatives which promote this'

'close supervision and monitoring of support staff in a period of changing roles and responsibilities - motivating, praising, reinforcing'

'every officer is important - I informally talk to everyone - set aside time for this

'CEOs must give a lead in establishing key priorities'

role modelling by the CEO

'model all the OHS&W [Occupational Health and Safety], EEO [Equal Employment Opportunity] and change management behaviour espoused in the corporate plan'

'encouragement to accept ownership, with knowledge that fair, reasoned judgments are valued - even if failing occasionally'

'commitment to fairness and consistency'

'model the behaviour desired never expect more from them than you won't give yourself'

'opening up and sharing experiences with team'

'I promote inclusiveness of my staff in decision making and expect them similarly to respect the ability of others to contribute to a work challenge

'make clear I can't solve all problems myself and I appreciate proposals by others'

'everyone should see no jobs as demeaning - take on any job to meet a deadline'

'as part of re-engineering of organisational activities, participation in all elements of the process and being identified as a key driver of change'   .

'CEO must set example, show passion and carry on against all odds'

Most Favoured Secondary Strategies

organisational processes and procedures

'introduction of TQM as a way of doing business'

'streamlining functions to allow the formation of autonomous work groups where possible'

'have processes that require individual decision making'

'business planning to achieve outcomes'

'KPIs [key performance indicators] developed cooperatively'

'we have just completed a major restructure - as we intend to be a collaborative organisation, this processes has been collaborative'

'removing hierarchical layers of decision making'

'adopt ISO 9002 standards'

'state of the art technology to maximise staff time management, regular revision of processes'

'established processes and guidelines for project management system'

the design of organisational structure

'flattened and streamlined structure'

'restructured 3 organisations to separate purchaser and provider'

'creation of cross functional teams'

'change to team structure'

'structure to reflect outputs'

'breaking down traditional sub culture etc. by merging'

'in [organisation] I have re designed staff into teams around strategically identified outcomes - Did not change levels and cause upheaval'

'yes, to guide correct organisational structure to shift deadwood and elevate high fliers, determined by services not positions!'

'outsourcing tasks that can be handled more efficiently'

'circular organisation structure diagrams, team based structure, standing committees for team based decision making'

Question 5

Are there any Primary or Secondary Strategies, used as a means of bringing about cultural change by the CEO, that have not been identified in the lists above? Please enter your response below.

Many of the responses to this question could be, and in some cases were, listed as sub aspects of the more generic primary and secondary strategies already identified in the questionnaire. For example *consultation* and *communication* were two responses the researcher judged to be identifiable as specific examples of either role modelling or what the CEO systematically pays attention to.

Of the remaining responses a clustering and concept identification approach were again used to identify possible additional strategies. As a result of this process it was evident that the CEO respondents regarded *planning* and *staff development* as important additional strategies that could be aligned with the secondary group of strategies identified in the research literature.

Question Six

To what extent do you regard the leadership of cultural change in public sector organisations as an important role for the CEO? Please explain your response.

CEO respondents regarded the leadership of cultural change as a critical part of their role. All fifty-three responses to this question used descriptors that, at the minimal level, judged the leadership of cultural change as very important. 69.7% of those fifty-three responses used more fervent descriptors. The quotations listed below have been chosen on the basis of their multiple listing or rich descriptiveness.

'crucial to survival'

'live and breath'

'fundamental responsibility'

'a critical role'

'vital'

'crucial'

'absolutely essential'

'CEO determines the culture'

'leadership for CEOs is not everything it is the only thing – it is the CEOs job to align the culture with the vision'

'prime responsibilities of the CEO'

'the CEO is possibly the most crucial factor'

It was also evident from the responses to this question that not only did CEOs perceive the leadership of cultural change as a very important or critical part of their role but in the whole-of-organisational context, a role that was their unique responsibility.

Question 7

How important do you believe the following factors have been in influencing the approach of CEOs, in Western Australia, to cultural change within their organisations?

Of the four factors presented in the questionnaire *Government's Policy Agenda* (80%) and *Contemporary Management Theory/Leadership Theory* (74.5%) were clearly regarded by the respondents as being the most important factors in influencing the CEOs' approach to cultural change in their organisations (see Graph 5.4).

While CEOs did not often refer to specific management or leadership theories their descriptions of the primary and secondary strategies deployed to bring about cultural change, are very in with contemporary management terminology.

The respondents regarded *Regulatory Factors* (52.7%) and *High Level Reports* (50.9%) in balance as either important or unimportant. This dichotomy may be indicative of CEO's different organisational contexts. It is possible for example, CEO respondents who regarded *High Level Reports* and *Regulatory Factors* as important, presided over central agencies with core policy or regulatory functions.

Graph 5.4

Question 7 [Items 31 - 34] - Importance of Factors Influencing WA CEOs' Approach to Cultural Change in Their Organisation N. = 55
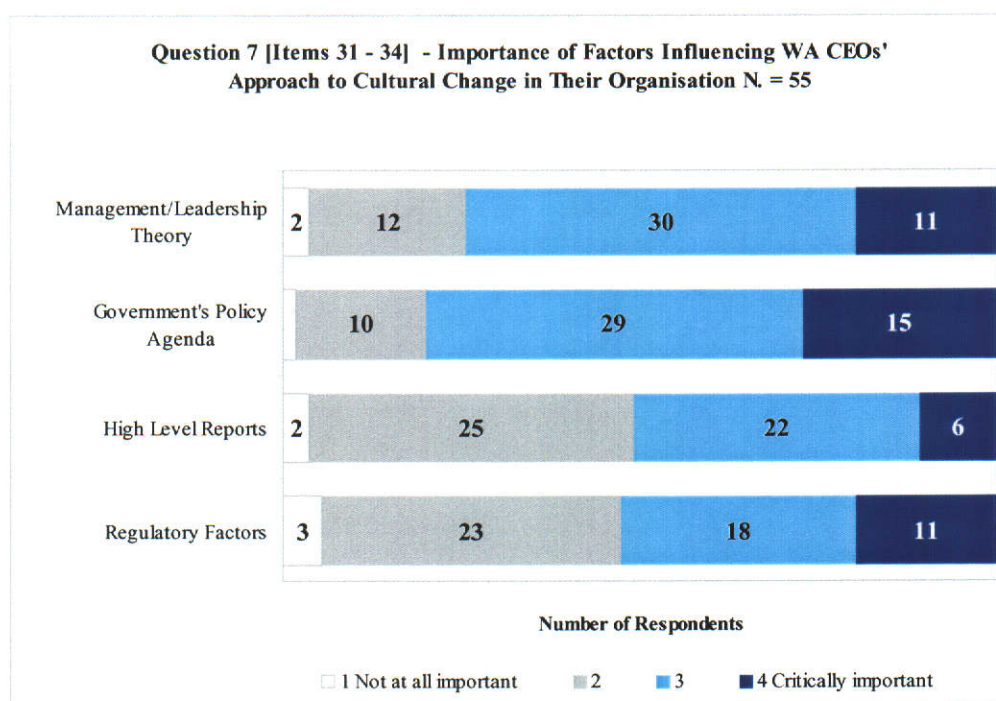
Question 8

Are there any other factors that you consider important in influencing the approach of CEOs, in Western Australia, to cultural change within their organisation?

As with previous open-ended questions, the approach to the analysis of the data involved the listing and clustering of responses based on identical or similar perspectives and concept identification based upon the emergent ideas.

Personal and professional attributes and experiences was most frequently identified of all the concepts that might influence the approach of the CEO to cultural change. This is consistent with earlier responses to Question 1, where CEOs

identified a range of personal leadership qualities as important, general leadership characteristics required for CEOs in the public sector.

Respondents also identified *broad trends and approaches* as a factor that might influence the CEO's approach to cultural change. Included in these responses were:

'the approach of other governments'

'understanding the changing environment, in particular national and global trends - too little attention is paid to this and yet which trends are having a major impact on organisations - for example outsourcing, outcomes focused approach'

'overseas trends'

'the emerging trend for more transparency in decision making'

'CEO must be positive and look at global trends, the influence of technology, customer expectation, corporate governance and contemporary models and standards'

Equally prominent factors were *peer influence* and *selection processes*. This relates to the role of a CEO's colleague in another organisation, influencing his or her approach to cultural change in their organisations. Responses in this concept cluster included:

'examples of success or failure by peer CEOs'

'peer group support and role modelling is very important'

'peer group pressure'

'not enough sharing of ideas - hierarchical structure where some CEOs are more important than others'

'observing CEOs being active in their field, achieving outcomes and setting standards of behaviour'

Selection process refers to the appointment, tenure and re-appointment of CEOs. While responses were not numerous in this cluster, by comparison to all other concepts, a contrasting degree of emotion was expressed in some of the quotations:

'confidence in their ability to keep their jobs if after restructuring the political agenda uses the CEO as the scapegoat!'

'CEO positions being advertised after employment contract expires regardless of performance - this causes uncertainty for an organisation'

'selection and appointment of some CEOs has not been well done in some instances, consequently, the success of cultural change has been somewhat mixed'

The remaining items in the survey questionnaire related to the demographic background of the CEO respondents. As noted in the parameters for this exploratory

research (Chapter One, p.9), the focus is on CEOs' perceptions of their role in bringing about cultural change in their organisations. There is no attempt, at this stage to draw any conclusions regarding causal relationships between the demographic background of the respondents and the nature of the qualitative responses to other questions. It is the intention however, in the in-depth interview stage of the data collection, to canvass interviewees about any causal relationships that they might perceive to exist between the demographic background of CEOs and their capacity to lead cultural change in their organisations.

Question 9

How long have you worked in the WA public sector?

Graph 5.5

Question 9 [Item 36] - Length of CEO Service in The WA Public Sector N.= 55
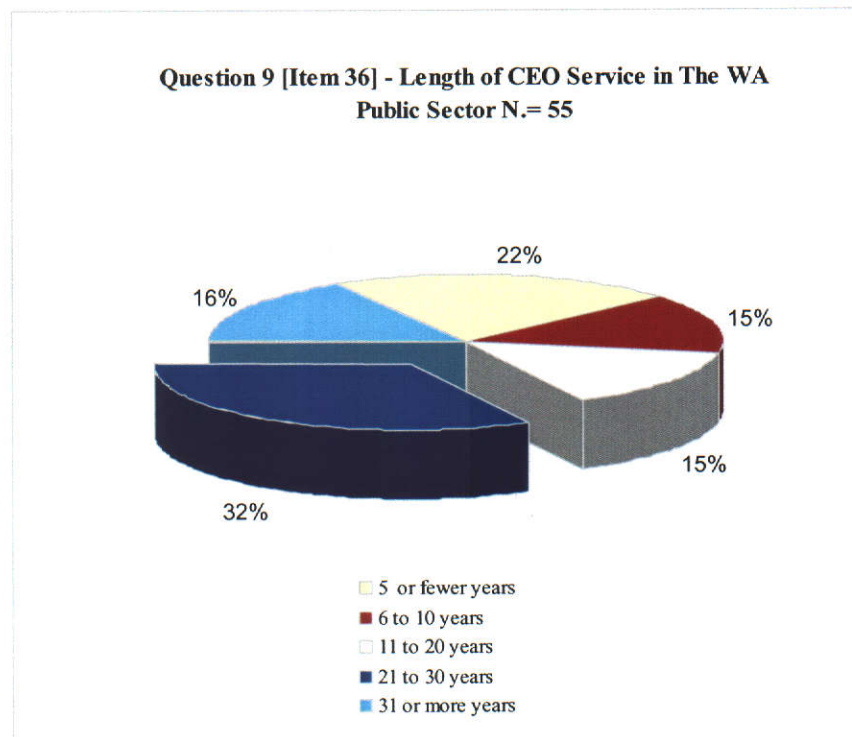
Of the respondent CEOs, 63% had been employed in the public sector for eleven years or more. 16% of the respondents had been in the public sector for thirty-one years or more. The average length of service of the respondents was 18.6 years. The 22% of CEOs employed in the public sector for five or less years is indicative of a significant level of 'outside' recruitment.

Overall, this data suggests that CEOs in the Western Australian public sector are still primarily 'career' public servants having spent a large portion of their working life employed by the Government.

Question 10

In how many public sector agencies have you been the CEO?

A very significant proportion of the respondents (85.4%) had only been CEOs in one or two government agencies. This may indicate that once having attained the position of CEO after a lengthy public sector career, only a small proportion of CEOs go on to fulfil such a role across a number of agencies. The longer term impact on CEO mobility of fixed term contracts, introduced in the mid 1990s, cannot be determined at this stage.

The small proportion of CEOs who do go on to fulfil CEO roles in multiple agencies often do so on a short term basis, at the request of government, in order to provide experienced leadership in positions which may have been temporarily vacant.

Question 11

Nature of current CEO position.

87.5% of the respondents substantively held their CEO positions. The remainder were acting (temporarily) in the CEO role. An article in the *West Australian* newspaper (Grove 1998, p.10) in the same year of this survey reported concern from the Opposition in Parliament, at the high proportion (21%) of acting CEOs in the State.

Question 12

CEO respondents' current classification level within the WA public sector.

As identified in an earlier chapter, Western Australia has a Senior Executive Service with classification levels ranging in level and associated salary upwards from level 9, C1-C4 to S5-S8. The appointment level for a CEO varies according to a number of variables including number of staff supervised and agency budget. There are other factors that impact on a CEO's classification level but these are less transparent due the confidentiality of contractual arrangements.

Graph 5.6

Question 12 [Item 39] - CEO Respondents' Current Classification Level Within the WA Public Sector N. = 55

Legend: Level 9 ■ C1 - C2 ☐ C3 - C4 ■ S1 - S4 ■ S5 - S8

Values shown: 25%, 20%, 20%, 2%, 33%
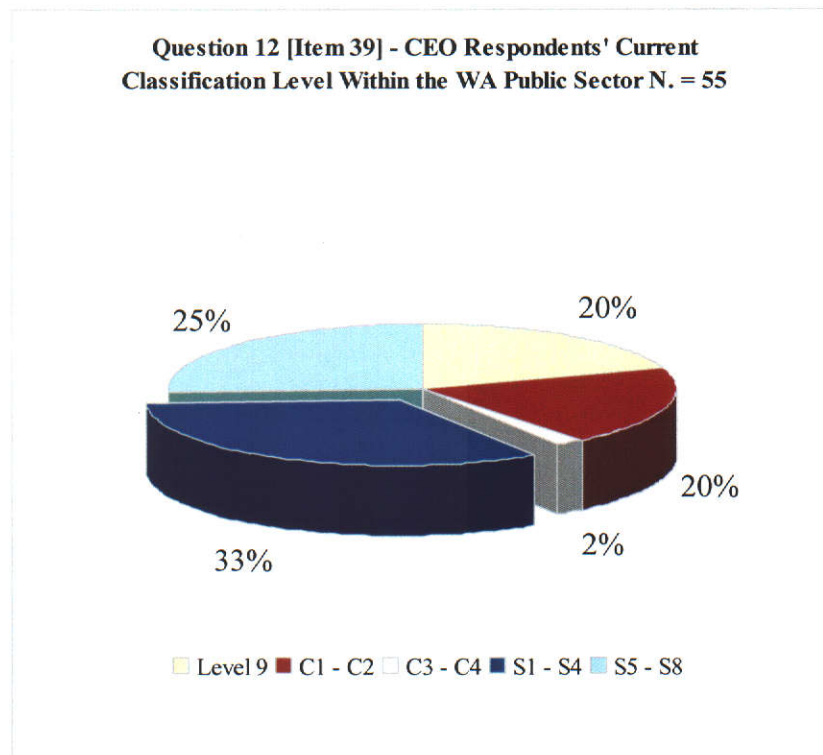
Question 13

The type of agencies that CEO respondents work in.

Graph 5.7

Question 13 [Item 40] - Type of Agencies CEOs Work In N. = 54

Legend: ☐ Central Agency ■ Line Agency ■ Statutory Body ■ Other

Values shown: 4%, 9%, 33%, 54%
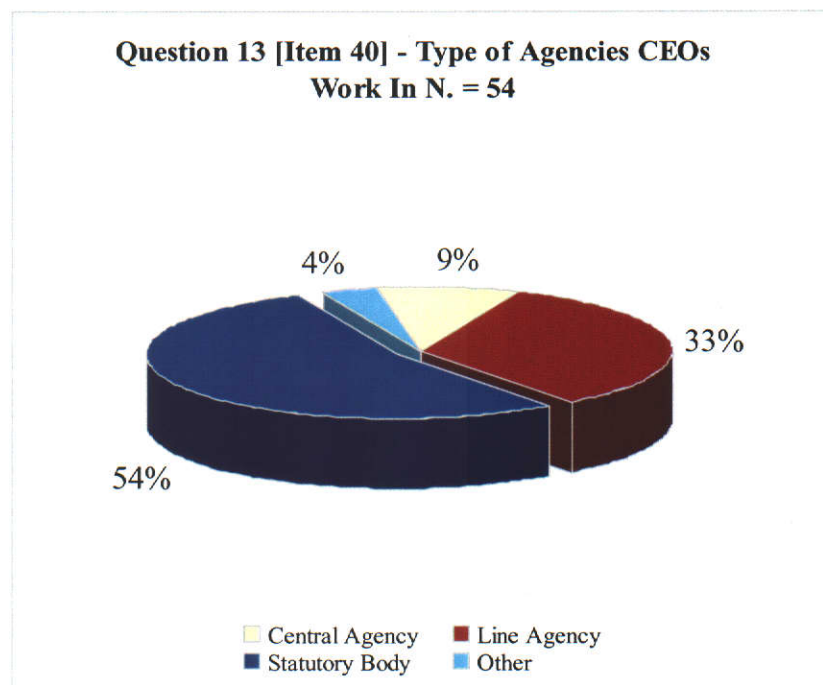
The type of agencies that the respondent CEOs worked in reflects the overall pattern for the total cohort of State agencies. Central agencies are those with cross government administrative, policy or regulatory functions are relatively few in number whereas line agencies and statutory authorities, established through legislation to provide various services or products to the public are the most numerous.

Given WA public sector CEOs' lack of multiple agency leadership experience (Question 10) and the small number of central agencies, it is likely that most CEOs will never have an opportunity to lead a central agency. These CEOs may, however, have had central agency experience as part of their career progression. As highlighted by Weller and Rhodes (2000, p.5), such experience would be consistent with the federal and international trend:

> In Britain where mobility is high and careers of the promising young may be planned, around two-thirds or more have had some experience in central agencies; indeed it is often an expectation that a stint in Treasury is vital experience, if indeed the DSs [Department Secretaries] did not start there as part of a natural elite. In Australia there has been a consistent growth over the last decades; there Finance, rather than Treasury, has been the nursery for many secretaries, while an often brief period in the department of the Prime Minister and Cabinet has opened out the mysteries of cabinet government of potential secretaries.

Question 14

The number of employees in the CEO respondents' agencies.

With the exception of the over 5,000 employee category of agencies[10] CEO survey respondents represented the broad spectrum of agency sizes. 43% of CEO respondents were in charge of agencies with less than 100 staff.

Much of the discussion about issues in the senior public service in Australia is impressionistic without much empirical evidence to support cases one way or another (Weller & Wood 1999). This certainly applies to the type and effectiveness of strategies deployed by CEOs to bring about cultural change in large agencies as opposed to small agencies or the impact of agency size on the likelihood of achieving

---

[10] Three Western Australian State Government Agencies have in excess of 5,000 employees (Ministry of Premier and Cabinet 1999)

cultural change in public sector agencies. CEO perceptions of the impact of agency size on leading cultural change are subsequently included in the in-depth interview phase.

Graph 5.8

Question 14 [Item 41] - Number of Employees in the CEO Respondents' Agencies N. = 54

Legend:
- 50 or Fewer
- 51-100
- 101-500
- 501-1000
- 1001-5000
- 5001 or More

Values shown: 7%, 0%, 28%, 9%, 15%, 41%
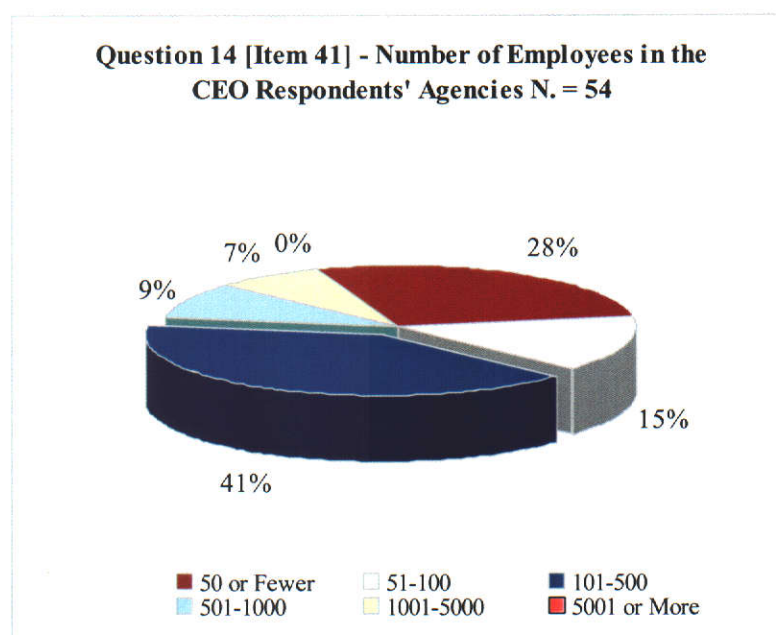
Question 15

CEOs who have worked in the private sector at a middle management or more senior capacity.

65% of the CEO respondents had not worked in the private sector in a management level capacity. This is consistent with a previous question where it was apparent, from the length of service, that more CEOs were career public servants.

While the proportion of WA public sector CEOs without private sector experience is significant, the Government does actively encourage private sector applications for positions by advertising all SES positions at state and national levels. Selection criteria for SES positions are also generic and applicable to executives from either sector (Ministry of Premier and Cabinet 2001).

Question 16

Male and female CEO respondents.

85% of the CEO respondents were male. There has been a 10% increase in women's representation in the SES over the period 1989 to 1999. However, their

number is still very low given that 59% of the WA public sector, full time workforce are women (Ministry of Premier and Cabinet 2001a)

Question 17

Age of the CEO respondents.

90% of the CEO respondents were between forty and fifty years of age. 50% of the group was over fifty years of age.

Weller and Rhodes (2000) identify the average age for the departure of department secretaries in Australia as 50.1 years of age[11]. While there is a downward trend in this age Weller and Rhodes were not able to isolate the cause but argue that it is no longer tenable to say that the position of department secretary or CEO represents the final stage for a career.

While the data from this research is not directly comparable to the findings of Weller and Rhodes, for a significant number of CEOs in Western Australia their position quite possibly does represent the final stage of a career.

5.6 Conclusions

The primary objective of the survey questionnaire was to identify emerging concepts relating to the main research questions and to gather demographic information about Western Australian public sector CEOs.

Research Question 1

What do chief executive officers believe are the important characteristics of leadership in the WA public sector?

Emerging concepts

CEOs described leadership characteristics that could be generally clustered into four process and one attribute concept groups:

1. developing and communicating vision;
2. stakeholder and customer leadership;
3. setting strategic direction
4. staff leadership; and
5. personal leadership qualities.

---

[11] Department Secretaries are the Federal department equivalent of State CEOs.

103

The leadership concepts and the specific underlying characteristic described by the survey group were very consistent with what has been labelled in the literature as *transformational leadership* (see Chapter Two p.27-29).

Research Question 2

What do chief executive officers understand by the concepts of organisational culture and cultural change in public sector organisations?

Emerging concepts

The CEO respondents generally regard culture as the underlying values and behaviours that influence the way an organisation goes about its business. Cultural change was described as relating to the re-alignment of values and behaviours in the organisation to required mission or outcomes, and community and government expectations, and to improve efficiency and effectiveness.

While the CEOs' views on organisational culture and cultural were consistent with theoretical constructs, they did not address in any detail the multidimensional and evolutionary nature of organisational culture. For example, CEOs did not generally elaborate on the relationship of culture to the developmental phase of their organisations or the different ways in which culture manifests itself in the workplace.

Research Question 3

Do CEOs apply specific transformational strategies to bring about cultural change in their organisations?

Emerging concepts

CEOs regarded all six of the primary transformational strategies, identified in the literature, as potentially effective and had been used by a significant majority of the respondent group.

Three of the five secondary strategies were regarded as potentially effective and all had been used by a majority of the respondent group to bring about cultural change.

CEOs also identified planning and staff development as two other generic strategies that may also be important as a means of bringing about cultural change.

Research Question 4

Do CEOs regard the use of transformational strategies to bring about cultural change in their organisations as an important part of their role?

Emerging concepts

CEOs regarded the leadership of cultural change as a crucial part of their role, and government's policy agenda and contemporary management/leadership theory were confirmed as important factors influencing their approach to cultural change.

Other factors that were identified as important in influencing the CEOs' approach to cultural change were:

- personal/professional attributes;

- global trends and approaches;

- peers; and

- CEO selection processes.

Demographic Information

The demographic backgrounds of the survey respondents revealed that most CEOs have had a long association with the public sector. A very high majority are male, have only had leadership experience in a small number of agencies and hold substantive positions. Most of the respondents had not worked in the private sector.

90% of the CEO respondents were between forty and fifty years of age. 50% of the group was over fifty years of age. Ministry of Premier and Cabinet (2001a) statistics indicate that 55% of WA public sector CEOs are eligible to retire.

CEOs' perceptions of the possible impacts of the above demographic profile on their capacity to lead cultural change in their organisations, are explored in the next chapter.

CHAPTER SIX

In-depth Interviews

6.1 Introduction

Emergent concepts from the survey questionnaire responses provided the basis for subsequent in-depth interviews with CEOs. These interviews were aimed at developing deeper and broader levels of conceptual understanding relating back to the four primary research questions as well as additional, connected observations.

The use of a semi-structured, open ended interview format ensured that findings emerging from the survey questionnaire could be further addressed by a sub sample of the CEO group without restriction. For the interviewer, this format also provided every opportunity to probe for clarification and ask questions appropriate to the nature of the responses.

The exact ordering of the questions and the level of prompting and amplification was determined on-the-day, in response to the emerging views and level of understanding brought to the interview by the participants (Merriam, 1988). Whyte (1984, p.97) concisely captures the interview approach used by this researcher:

> The good research interview is structured in terms of the research problem. The interview structure is not fixed by predetermined questions, as in the questionnaire, but is designed to provide the informant with freedom to introduce materials that were not anticipated by the interviewer.

Overall, the exploratory nature of the research benefited from the rich, holistic verbal descriptions provided by the respondents to the interview questions.

This Chapter will describe the in-depth interview sample, interview schedule, questions and process. Data analysis is related to each specific interview question and more general responses made by the interviewees.

Conclusions linked to the specific focus of the interview questions are then drawn from the data analysis.

Diagram 6.1

In-depth Interviews
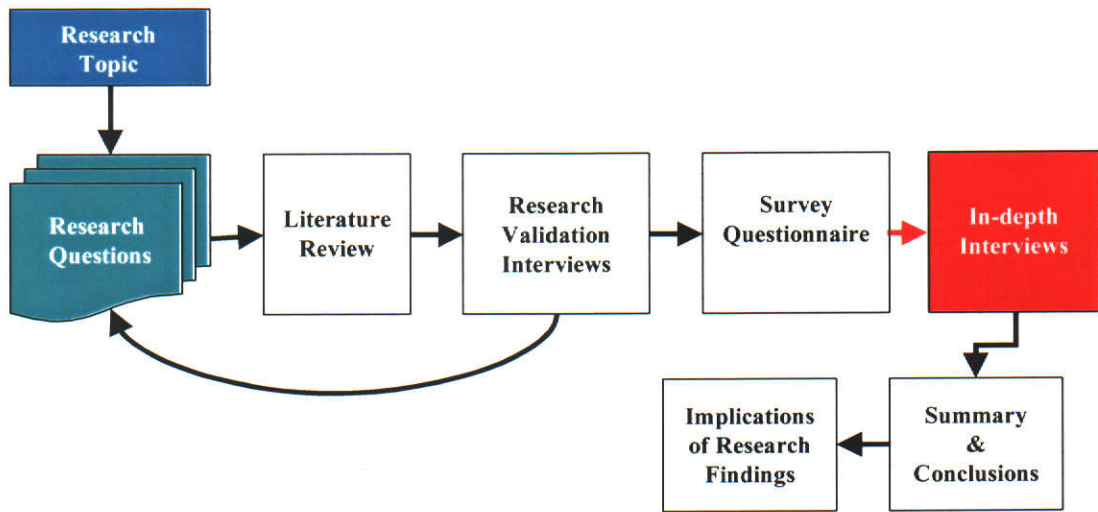
6.2   The Sample

In determining the CEO sub sample for interview, the researcher had to establish what sub sample would be likely to provide the optimum range of responses and for what theoretical purpose.

The in-depth interviews represented the third and final iterative phase in the collection of field data (see Diagram 6.1 above). Firstly, field data came from a random sample of SES representatives and secondly from respondents to a survey questionnaire sent to all Western Australian public sector CEOs.

The purpose, therefore, was to identify a sub sample of the public sector CEO group who would provide a rich and varied interpretation of the emerging findings from earlier phases and, in so doing, further contribute to concept development.

In a discussion of sampling techniques commonly used in qualitative research Merriam (1988) identifies *criterion based* sampling which requires that the researcher establishes the criteria necessary for units to be included in an investigation and then finds the sample that matches the criteria. Goetz and Lecompte (1984), quoted in Merriam (1988, p.48), said that the researcher creates a 'recipe of the attributes essential to one selected unit and proceeds to find or locate a unit that matches the recipe'.

In this final phase of the study the specific criterion based sampling strategy adopted is what Goetz and Lecompte (Merriam 1988, p.50) refer to as *quota selection*: 'identify the major, relevant subgroups of some given universe and then proceed to obtain some arbitrary number of participants in each group'. The sub sample of CEOs included CEOs from groups based on:

- size of the public sector agency in terms of staff;

- type of agency (central, line agency or special);

- diversity of CEO experience; and

- gender.

The sub sample comprised thirteen CEOs who were representative of the above groups (see Table 6.1). While heterogenous, the mixture has no statistical significance in terms of the total Western Australian CEO population. Subsequently, no attempt was made to draw direct causal links between the views of interviewees from a specific grouping and the concepts emerging from the research.

Table 6.1

In-depth Interviews Sub Sample of CEOs

Sub Sample Groupings						
CEO Interviewees	Agency Size* (Small Medium Large)	Central Agency	Line Agency	Special**	Diversity of CEO Experience (years)	Female Male
1	M		✓		1	F
2	S	✓			1	M
3	M	✓			2	M
4	L		✓		1	M
5	S		✓		6	M
6	M		✓		7	F
7	L		✓		1	M
8	L		✓		2	F
9	M	✓			1	M
10	S	✓			1	F
11	S	✓			1	M
12	L		✓		1	M
13	S			✓	2	M

*   small agency > 100 staff, medium agency 101 – 500 staff, large agency < 501 staff

**   'Special' represents the CEO of the Public Sector Standards Commission which is an independent agency reporting directly to Parliament (see footnote 3, p.113)

In summary, the profile of the in-depth interview sub sample group was:

- large agency = 4, medium agency = 4, small agency = 5;
- central agency = 5, line agency = 7, special = 1;
- male = 9, female = 4; and
- one agency experience = 8, two agency experience = 3, more than two agency experience = 2.

6.3 The Interview Schedule

The semi-structured interviews were supported by an interview schedule[1]. The questions in the schedule related back to emergent concepts, issues and demographic information from the survey questionnaire, which in turn stemmed from the primary questions underpinning the research topic.

Interview Questions

Questions developed for the schedule were primarily interpretive. They advance tentative interpretations of findings from the previous survey questionnaire and ask for reactions. The questions, some of which contained sub components, aimed at eliciting responses based on values, knowledge and experience.

Question 1

Why are the following leadership characteristics and personal attributes important to CEOs in the Western Australian public sector today?

- *setting and communicating vision;*
- *honesty and integrity – ethical behaviour;*
- *capacity to inspire and motivate; and*
- *courage.*

Question 2

CEOs seem to perceive cultural change in relation to the alignment of agency values and behaviours to the following factors. Why do you think these alignments are so important?

- *mission, corporate direction and outcomes;*
- *community/government expectation; and*
- *improving efficiency and effectiveness*

---

[1] See Interview Schedule, Appendix 8, p.214

Question 3

In your experience is cultural change in the public sector a significant issue for CEOs today? Has it always been so? If not why?

Question 4

The following strategies have been identified as the most effective to bring about cultural change by CEOs:

- *role modelling;*

- *what the CEO systematically pays attention to on a regular basis;*

- *organisational processes and procedures; and*

- *the design of organisational;*

- why do you think they are the most effective?

Question 5

How would you explain the following inconsistencies in how CEOs view cultural change strategies?

- *'formal statements about our role and the way we do things around here' was regarded by 40% of CEOs as a potentially ineffective strategy but still used by 78% to bring about change*

- *'facilities and space' was regarded by 51% of CEOs as a potentially ineffectual strategy but still used by 69% to bring about change*

Question 6

Planning and staff development are identified as two other strategies that are used to bring about cultural change by CEOs. To what extent do you think these strategies could be used to support cultural change in an organisation?

Question 7

CEOs describe the leadership of cultural change as a crucial part of their role. Why do you think this is so?

Question 8

Management/leadership theory and Government's policy agenda were considered important factors that might influence a CEO's approach to cultural change. Why do you think this is so? Can you provide any examples?

Question 9

Peers were also identified as an influential factor. To what extent does CEO peer interaction at a professional level take place in the public sector?

Question 10

The CEO selection process was also identified as an influential factor. What is your reaction to the following quotations?

Question 11

What impact, if any, might the following factors have on the CEO's leadership of cultural change in an organisation and why?

- *length of public service;*

- *CEO leadership experience in a limited number of agencies;*

- *being substantive or temporary in the CEO position;*

- *leading a small (number of staff) or a large agency;*

- *experience working only in the public sector;*

- *gender; and*

- *age of the CEO.*

6.4 The Interview Process

Using an approach similar to the lead-up for the survey questionnaire, a facsimile was dispatched to the personal secretaries of the CEOs identified for the interview sub sample. The purpose of the facsimile was to provide advance notice to the personal secretary that the following day I would be calling to arrange an interview with the CEO and to briefly outline the purpose of the interview. The facsimile also highlighted the endorsement of the process by the *Chief Executive Officers' Consultative Group*.

With the prior agreement of the interviewees, their comments were recorded on tape for subsequent, verbatim transcription. Field notes were also made in the spaces provided on the interview schedule, during the course of each interview.

It was considered that the spontaneous recording of selective interviewees' comments, when considered alongside the verbatim transcripts, might add to the interview process by:

- identifying points of emphasis through voice tone or body language;

- identifying a new concept or counter points of view; or

- highlighting some random aspect that might provide feedback about the effectiveness of the interview execution itself.

In order to elicit deeper and broader levels of conceptual understanding relating to the primary research questions, data collection and analysis summary tables were constructed[2]. These tables combined verbatim quotations and field note extracts from the interviews and linked them to each interview question and question sub component. Text 'bolding' was then used to highlight concepts.

Information from each interview summary table was collated. Concept clusters were then identified around each of the interview questions.

6.5 Data Analysis

The in-depth interview analysis focuses sequentially on the recorded responses to each interview question and their sub components.

Question 1

Why are the following leadership characteristics and personal attributes important to CEOs in the Western Australian public sector today?

Setting and communicating vision

While considered by one CEO to be 'self evident' and a 'cliché created by many people', a commonly shared perception within the interviewee group was that setting and communicating vision was an important CEO leadership characteristic driven by 'uncertainty and confusion' in their operating environment. Two supporting comments were that 'there is a lot of uncertainty, staff anxiety [and a] need for leadership' and 'PS agencies are inherently wallowing, reactive bodies – there is a need to set goals'.

---

[2] See Data Collection and Analysis – In-depth CEO Interviews (Sample), Appendix 9, p.219

Communicating vision was not viewed as a sole responsibility of CEOs, it 'has to come from the CEO, although it would not come in isolation – the CEO does not sit on the mountain and then come up with a vision and then communicate it down'.

Contributors to the setting of direction and vision include staff and others outside the agency but one CEO regarded the political level of government as more preoccupied with short-term issues than contributing to building a longer-term vision:

> I think setting a vision from the political level of our Government is not particularly clear to people in the public sector in that it appears to be Government that is mainly issues driven and issues management rather than actually having said "this is what we want for Western Australians, this is what we want for Western Australians in year 2005" and from that these are the outcomes and this is how we are going to go about it, that part is missing. ...but for that reason I think it's even more important that CEOs actually develop for their organisations and broader than their organisations...a vision for why we are here, what's our purpose, why are we beavering away so hard at what we are doing so that the people who are contributing to the outcome can gain some sense of orderliness and purpose.

Honesty and integrity - ethical behaviour

Generally, interviewees could not separate the characteristics of honesty and integrity from the attribute of ethical behaviour. However, their collective importance was reinforced, '[honesty and integrity] must hold it dear – to serve public versus a political master' and 'ethical behaviour is a core value - must be subject to scrutiny and above board'.

One CEO regarded ethical behaviour as 'the higher order of things' and that 'employees don't use the phrase "ethical behaviour"' as part of everyday workplace vocabulary. However two other CEOs commented that 'there is a considerable awareness of the rights of individuals today' and 'without those [honesty, integrity and ethical behaviour] there is no credibility to any message that would be given or delivered'.

All public sector bodies and their members, and public sector employees including CEOs are bound to comply with the *Western Australian Public Sector Code of Ethics* (1998). However, with the exception of the Commissioner for Public Sector Standards[3], no other

---

[3] The *Public Sector Management Act 1994* provides for the establishment of an independent statutory office of the Commissioner for Public Sector Standards. Through monitoring, compliance, reporting and assisting public sector bodies, the Commissioner is responsible for providing Parliament with independent and impartial opinion about merit, equity and probity in the WA public sector. Given that this role, through such functions as the establishment of a public sector code of ethics, can be linked legislatively to how CEOs may lead cultural change in their agencies, permission was sought from the Commissioner to personally attribute interview comments made by him in this study. See Table 3.2, p. 61 *Principles and Strategies for Ethical Research* and Appendix 2, p.195.

interviewee mentioned the Western Australian Code of Ethics in relation to this question. The Commissioner said:

> The Public Sector Management Act does not actually require a code of conduct, they [CEOs] have to comply with the Code of Ethics which is set by me. There's a strong expectation that agencies should develop codes of conduct. ...If they are adopted, then agencies have to comply with them.
>
> Once a code of conduct is developed in an agency and adopted, I would not say the job is done. They need to be freshened up a bit - awareness building, you need to expose people to them as part of the induction system and have a regular awareness training...the big job is getting the code of conduct developed, in getting the values' clarification and acceptance at all levels – that's a big job.

Capacity to inspire and motivate

CEO interviewees acknowledged the capacity to inspire and motivate as important leadership characteristics. Several recognised them as aligned to a particular leadership style:

> Different leadership styles could bring out different behaviour from different people and I guess it's really more a capacity to understand the culture of the organisation, to understand individuals in an organisation and develop strategies accordingly.

Leadership that inspired and motivated was regarded by one CEO as 'critical because of the current disaffection of staff – impacted by such factors as economic rationalism'. Another interviewee said that it was important to 'let them [staff] see where there can be a place in the sun'.

These characteristics of leadership were also described as analogous to 'driving the train – and inspiring people to get on board'. The ability to inspire and motivate was also used by one CEO to accentuate perceived differences between leadership and management:

> How you can just manage, just manage in the mechanistic way? I'm not sure if it fits today's world if it ever did. I think to inspire, particularly staff but if you're in a public profile job also public, with confidence that what we're doing is worth doing and the way we're going is a positive way to go, certainly gets the 110% out of what we really need.

Courage

Courage was a leadership characteristic that emerged from the questionnaire survey phase of this study that had not been previously highlighted in the literature review. It is possible that the significance of 'courage' relates to situational factors prevailing in the Western Australian public sector. In response to the courage

characteristic a number of interviewees also referred to 'consistency of purpose', 'perseverance', 'conviction' and 'assertiveness'.

While an admirable characteristic, one CEO said that there is:

> no reward for courage, particularly if it is against government direction – nevertheless I think it is a very important value and it's also one that ultimately is respected by the public, by the political masters and by the staff.

The multi faceted qualities of courage as both a very public and a personal leadership characteristic were mirrored in the following comments:

> The courage to stand up and say things that are not always palatable, for example, to do with budget reductions – courage depends a little on the relationship you have with your Minister.

> It's not 'courage' to make a decision so much as to be prepared to admit to yourself that you might not be right.

Question 2

CEOs seem to perceive cultural change in relation to the alignment of agency values and behaviours to the following factors. Why do you think these alignments are so important?

Mission, corporate direction and outcomes

Two CEOs very simply stated the dependency between cultural change and organisational direction and outcomes when they said, 'it is difficult to sustain change if the mission and direction is not clear' and 'staff need to know where they are going – they don't want to "mill around"'.

Using a more specific example of the relationship another interviewee said:

> Particularly in the current budget context...in my view it's essential that the CEO has a leadership role in making sure that the mission statement or the outcome statement is simple, that it is actually easily understood by the people who are having to deliver it and there is a logical relationship between that and the reason for the department's existence.

Several interviewee responses focused not on the functional alignment between cultural change, mission, corporate direction and outcomes but the beneficial processes involved in forging such an alignment:

> Perhaps if I can just say that I see the culture more about how we do things rather that what we do.

> I think cultural change comes - if the mission et cetera are set in a very questioning way, in a very participating way with staff and stakeholders and so on so that the really basic questions are asked "why are we doing this? Is there

a better way of doing it? Should we continue to do it?" If those questions are actually asked and then followed through, whatever the results are, you can start to get cultural change.

By contrast one CEO interviewee expressed the view that a preoccupation with aligning an organisation's culture with a particular type of mission may actually have detrimental impacts for public sector agencies:

> It became fashionable because the word mission is American, a term for objective from military culture that gravitated into the business, the Harvard Business School, all over Stanford and all other Universities.

> So if you did not have a mission statement you're somewhat behind the time. People putting their mission statement up on the wall. I believe to ordinary workers they don't mean a thing. They don't understand the significance of it. You've imported a military way of doing things into a business. The market is brutal and uncompromising. The company is operating in a competitive environment, a form of war. Therefore a lot of the methodology they apply in a military situation could be the death for some within the public sector.

Community/government expectations

Interviewees accepted the alignment of mission, corporate direction and outcomes to community and government expectations as a matter of course. For example:

> [CEOs] have to be aware of community expectations and pressures on the Minister

> [CEOs/agencies] have to remember that the Minister is a customer

> culture will only change to the point at which government and community is comfortable

> any mission statement or outcome statement that is actually at odds with the Government's expectations and/or philosophy won't work.

Improving efficiency and effectiveness

Improving efficiency and effectiveness are key agency outcomes associated with the public sector outsourcing, accountability and contestability reform agendas that were identified in Chapter Two. One CEO said:

> We are asked to deliver more with fewer resources and it is important that any direction or scene set by the CEO is directed at making sure that not only the outcome required is easily understood but the processes and the structures and the general organisational arrangements are consistent and in fact enable us to deliver the product at the lowest cost.

Several interviewees spoke of the re-alignment of agency values and behaviours to efficiency and effectiveness factors, from the perspective of

'purchaser/provider separation'. For one CEO interviewee who leads a Government Trading Enterprise (GTE), the need to achieve a competitive edge was paramount:

> It's critical because one needs to continue to improve. We are in an environment where it is important to have that competitive attitude because we are exporters.

Question 3

In your experience is cultural change in the public sector a significant issue for CEOs today? Has it always been so? If not why?

CEOs interviewed for this phase of the study were unanimous in their perceptions that cultural change in the public sector is a significant issue today. Several interviewees did not, however, see much evidence of its occurrence: '[cultural change] is a huge issue – a lot of rhetoric but doesn't follow through' and 'cultural change is absolutely essential but not everybody can see it, I don't talk about cultural change'.

The origins of cultural change as a public sector issue are traced back by interviewees to the 1980s when a combination of a reformist Labor Government and changing macro economic conditions placed external and internal pressure on agencies to reassess their modus operandi:

> [cultural change was] very significant in the 1980s, triggered by the election of the Burke Government - less of an issue now because change is with us always.

> I think it's become a very, very significant issue. Probably started in the early · 1980's in the sense that there was a change of Government. Government wanted to do things differently and Government basically didn't trust its public service. As a consequence CEOs of the new generation have been introduced to cultural change and they were expected to go through the processes of alignment with the Government's objectives, the organisational mission and of course what people actually do inside an organisation.

> I think what's happened is again another change of Government, major changes in the economic circumstances of Australia, major changes in the macro policy development, competition policy, FOI, all that sort of thing. Organisations have now started to realised that they've got to change to survive, and part of that change in fact is to change the culture as one of the many things they've got to change to in fact be a relevant organisation in today's political and social environment.

While there is simple agreement about the high expectation for cultural change, the extent to which change has been embraced, and how it might be

measured is portrayed as a more complex matter by two CEO interviewees:

> Some parts are trying very hard – [cultural change] is different from administrative reform – there is a lot of resistance to it - I've got a yes and no. Some parts of the public sector are really trying too hard to introduce cultural change. ... the true cultural change is not just about procedures, it's about values and about ways of doing things and what's believed to be important and, I suppose, quite frankly I see quite a lot of resistance to it even at the CEO level.

> I think it's fair to say that cultural change in the public sector has occurred over a long period of time and it's continuing to occur. I don't think it's a matter of time clicking a switch and there's a change in culture, it emerges. The move to a more accountable, corporatised model of government has been certainly around since the mid/late 1980s and it's taken on different terminology.

Question 4

The following strategies have been identified as the most effective to bring about cultural change by CEOs - why do you think they are the most effective?

While all interviewees confirmed the importance of the previously identified primary and secondary strategies to the process of cultural change, one argued that the impact of such strategies was dependent on precursors related to setting vision and the empowerment of staff:

> I would argue that if you're going to undertake a major change program in an organisation, these [strategies] are all necessary but I would also argue that there are some precursors for them all. You have really got to get ownership of change and that is very much about getting people involved in setting the vision, in setting the strategic direction and in creating the organisation...I don't think [CEO] role modelling per se is a starting point because you have the perfect role model and there is actually nothing particularly meaningful that they change in your organisation.

> It's about empowering your organisation to actually challenge its current role, the current way of doing business and that is very much about drawing a vision, drawing a culture...If you are demonstrating particularly behaviours, at least you've got some chance of people following and using those similar behaviours - that's in the context of a framework, if there's no context it's practically helpless.

Primary strategies - role modelling

Expectations for cultural change 'need to be obvious at the top of the organisation'. Interviewees were comfortable that setting standards and tone in an organisation needs to come, in the first instance, from the CEO:

> [role modelling] sets the tone - it comes from the CEO, for example trusting staff ... the messages that come from the top and how the CEO behaves and what the CEO believes is important and pays attention to, sends clear messages of that.

One CEO interviewee saw role modelling as more than a premeditated strategy used to bring about a particular cultural change in the organisation. She regarded it as something to be embraced at a deeper, personal level:

> I just see it as absolutely critical that role modelling takes place and not only that, but if I apply it to myself that I don't act it, I actually live it, that I fully embrace it and it becomes a way of life for me. This is the way I do business, what's important to me and the way that I do it around here and the other part of that is that I must be seen to acknowledge, support and celebrate that in my workplace.

Primary strategy -what the CEO systematically pays attention to on a regular basis

Interviewees regard this strategy as very significant because, like role modelling, it provides an opportunity for the CEO to communicate what he/she values in the workplace, 'it sends a clear message about what's important' and 'everybody lines up, they think what the boss thinks is important. So ipso facto it is important – it's important to me, that's the reality'.

What the CEO systematically pays attention to can also be used as a more controlling strategy to ensure staff behave in a particular way:

> When you're turning an organisation around it's a bit like a mob of sheep with a couple of sheep dogs. In the main, the sheep will go the way that you want them to go but every now and again, you have to send the sheep dog around the pack to push them in the right direction. So this is about being consistent and checking in a regular basis to say "OK, yes we are moving that way, we can, proceed to the next".

Several interviewees saw this strategy as important in relation to particular organisational aspects. They said 'what the CEO systematically pays attention to on a regular basis is most effective, for example with management processes' and 'I systematically pay attention to quality, one of the major issues that I deal with in the Department is improving areas where quality is not strong'.

What a CEO systematically pays attention to on a regular basis may also have a detrimental effect on organisational culture, or at best send confusing messages to staff about what is important:

> Unfortunately some of our current systems require CEOs to probably pay too much disproportionate time to poor performers in an organisation of good performers. What the CEO needs is a balancing place, to try and give more time to working with the good performers...to make sure that poor performance

is not the focus of the organisation but good performances and therefore the rest of the organisation gets taken along by this quality improvement program.

Secondary strategies – organisational processes and procedures

Interviewees described how organisational processes and procedures could 'facilitate' positive cultural change or 'have an inverse relationship'. One interviewee pointed out that changes to processes and procedures are sometimes 'legislatively driven' but are most effective when they come 'internally from the experience and intellectual knowledge of staff rather than consultants coming in to do it and therefore creating a much greater ownership'.

On a strategic level, one interview provided a simple summation of the alignment between organisational processes, procedure, structure and change:

> Clearly organisational processes and procedures and the design of the organisational structures must be consistent with the direction in which the department is to move, if there's any dissidence then people within the agency clearly will be less committed to change.

Secondary strategies – the design of organisational structures

Interviewees responded differently and with qualification to the importance of the design of organisational structures as a strategy for cultural change. Some CEO interviewees, who have been forced by government policy and priorities to restructure their agencies, sometimes on multiple occasions, are less than enthusiastic about the process:

> The design of organisational structure, the perennial aspect of organisational change. I have been criticised internally, I had too many organisational changes. I think in the four years I have been here we have done 3. We did 2 in the first year. People hate organisational change generally, that is the majority. Because the majority are not in touch. Those who are in touch with it are fine.

> When you're in a large organisation, it's very difficult to communicate all the way down the line and it's those people who are the ones, the end of the organisation. They are very difficult to communicate with, particularly in terms of what are your intentions. Everybody feels that you have an ulterior motive, no matter how much you will stick to demonstrate to the staff at large you don't have an option to make you feel this is in the best interest of the organisation.

By contrast another interviewee saw the re-design of organisational structure as essential to an improved culture in her organisation:

> The design of organisational structures – in our case that was absolutely essential. If we had tried to continue along with the same organisational structure we probably would have improved but would still carry somebody's

120

old baggage, somebody's old cultures and perceptions. The opportunity in all organisational structural change, particularly based on funder/purchaser/provider, has allowed us to drive a totally new culture and a new direction for the organisation.

Another interviewee was not convinced about the importance of organisational structure in the cultural change process. It was regarded as something of an obstacle to be worked around:

> I'm a bit of a sceptic about the design of the organisation as such, it's just that sometimes that can be important but I'm not absolutely convinced. Perhaps if I could put it this way, the design of an organisation's structures can be important but you can work around it.

Question 5

How would you explain the following inconsistencies in how CEOs view cultural change strategies?

'formal statements about our role and the way we do things around here' was regarded by 40% of CEOs as a potentially ineffective strategy but still used by 78% to bring about change

WA public sector CEOs see the potential impact of particular cultural change strategies as dependent on other complementary strategies. For example, the use of formal statements, such as mission statements, as a means of communicating expectations about an organisation's role was a strategy that received only qualified support from a majority of CEOs:

> I think if you get the outcome statement or the mission statement relevant and in terms that people can relate to in the agency you can keep the whole exercise pretty focused. For example in [agency], in the corporate planning process ten years ago, we were trying to make something much more complicated than it really was and we sat back and looked at it "why are we doing that?"... when it comes down to it it's a fairly simple statement ... under that mission you could set a lot of things which would then be reflected as the priority of the government and the Premier of the day. We found that worked pretty well.

> It seems this idea of having missions and what have you, is just fashionable. Now you're seen to be somehow behind the time or inadequate or missing out or you're not with it. You're not competent if you haven't got a mission. To develop a mission statement, evolving from the grass roots up, your staff is a way of achieving alignment. But once the excitement is over, how the mission translates into activities, I think is problematic. I will say this is a necessary step but it's far from sufficient. It's a starting point that's all.

Several interviewees alluded to the importance of 'formal statements', not from the perspective of the product but the underlying process that led to their

formulation. Two said, '[they are] OK if drawn up in a participative way – things that are imposed are ineffective' and 'they [can] gather dust, but there is value in preparing them because of consultation'.

'facilities and space' was regarded by 51% of CEOs as a potentially ineffectual strategy but still used by 69% to bring about change

The inherent potential for the design of facilities and space to produce change in workplace behaviour was acknowledged by most CEO interviewees although, in a number of cases, with a qualification:

> organisational structure must relate to space - people need to feel proud and have ownership

> good facilitator of change - lot of staff input on the design

> your bringing work groups together or getting people to mix - I would only put the facilities and space with part of a comprehensive approach

Some CEOs are faced with particular situational difficulties related to their physical organisational environment:

> My view would be that how you organise the physical environment can have a significant impact on the social behaviour of individuals... the difficulty is understanding the relationship and supporting it.

> This building which was built many, many years ago so that could be used in the event of a land war in North Australia. It has lots and lots of long corridors and it makes it extremely difficult to actually communicate, for people to interact, we have got 19 doors that people come in through... It's a very difficult building for people here to actually have impact on it.

In one interview the CEO related the importance of facilities and space to the effectiveness of specific work processes:

> It's very true, I think some of the best research, some kind of research policy background included, work best in an open environment. That's tricky when you're doing a brainstorming, you have a problem of course when you're wanting to have some quiet time... if you want something, you're much better to have an open plan.

Question 6

Planning and staff development are identified as two other strategies that are used to bring about cultural change by CEOs. To what extent do you think these strategies could be used to support cultural change in an organisation?

Planning and staff development were two concepts that emerged from the CEO respondents to the survey questionnaire. Amplification on their importance was garnered during the in-depth interview process.

Planning

Several of the interviewees regarded planning as critical to the cultural change process in organisations:

> value in planning as process - "understanding where people are coming from"
>
> planning is critical, how do you use the process and capture imagination - without planning you can't have cultural change anyway
>
> planning is a pre condition, it is critical

As with many of the other cultural change strategies discussed previously, the CEO interviewees emphasised the criticality of underlying processes to their effectiveness:

> staff need to be part of the planning process – owning and contributing to planning
>
> planning must be participative – if hierarchical and elitist – that is not the way to go. In fact I had that problem here when [agency] had been through a couple of planning exercises that had led nowhere....but when they got a different experience of it and now they've got me they say "are you sure we're doing this in accordance with you know ... they wrote all the questions, let's go back and have a look at what is important to do ..." and I think that's very good!

Staff development

The CEO interviewees regarded staff development as intrinsically important to the achievement of cultural change in public sector organisations. Two interviewees said that staff development was 'fundamental to optimum use of assets' and 'very important, particularly if you're trying to take an organisation in a new direction'. Another said that 'behaviours can be easily modified by training'.

A number of the CEO interviewees affirmed the importance of staff development in cultural change but were definite about its need to be considered strategically as a process within a broader change agenda:

> absolutely critical but must be focused on the needs of the organisation
>
> good if not token – need to know why it is being done for the organisation – an investment not a cost
>
> very useful but not just a "training trick" – 90% of training is wasted – the right sort of development process is needed, for example action/learning programs

There's a prime balance between force feeding people, in other words giving them experience that they don't want, to opening up opportunities for them to actually take advantage of, and gain experiences. In that way, it would be as simple as awareness raising sessions through to actually providing people with developmental opportunities.

One interviewee offered a cynical perception of staff development and training. He did not see staff development as a strategic tool for use in change management. Rather, the view was of staff being 'handed-over' for enculturation by the values and behaviours of the trainer:

> If you've got a training scheme, a development thing – what you're doing is taking on the culture of the trainer or who ever is handling the course. What the course is saying is, it's equivalent to Moses bringing the Tablets down from the mountain - this is the way, this is the new path. Now, that's not your organisation's culture, it's a means of importing aspects of culture.

Question 7

CEOs describe the leadership of cultural change as a crucial part of their role. Why do you think this is so?

As noted in the previous chapter, CEO respondents to the survey questionnaire were quite fervent in their view that the leadership of cultural change in their organisations was a critical role for them. The CEO interviewees reinforced this view. There was also a widely shared belief that the leadership of cultural change was a highly individualised aspect of the CEO's role. In other words, without their contribution, it would not happen.

Given that there is no explicit statutory or policy requirement from government for CEOs to lead cultural change in their organisation, the clear motivation for them appears to be a strong personal belief that the preferred organisational direction and better outcomes will not be achieved without it:

> you can't lead while sitting in your office, you must demonstrate commitment - no CEO in the private or public sector has full control of the destiny [of their organisation] but what we can do is make it an exclusive organisation by effective leadership
>
> if the CEO doesn't, no one else will
>
> take the organisation in the direction the CEO wants to go!
>
> if they don't [lead cultural change] the organisation will not achieve its outcomes - unless the CEO sets example, it will not happen
>
> given that the same or more outcomes are required with less resources, change must be required - but if we keep doing the job in the same old ways then they are not going to be successful

[cultural change] takes up the largest part [of the job] - CEOs today have inherited poor management/leadership

only constant is change, can be stressful, unsettling, lower productivity - we need to lead change and be honest with staff

outcomes often occur uniquely in a subsequent accounting period or they are spread over many accounting periods. How do you get your team fired up? What they are doing is going to have a benefit over the long term. One answer is to have a culture that is focused on community benefit over a long term.

Question 8

Management/leadership theory and Government's policy agenda were considered important factors that might influence a CEO's approach to cultural change. Why do you think this is so?

The interviewee group supported the importance attributed to management theory and Government's policy agenda, as influences on the CEO's approach to cultural change, with some qualifications.

Management theory

Most of the CEO interviewees generally agreed that management theory is an important consideration in their approach to leadership of cultural change but it does not drive the process. CEOs appear to be pragmatic, evaluating and customising theory to find those aspects which will best serve organisational outcomes that in many cases have already been determined:

need some basis for change, people management skills, finding out what is. working what isn't

a lot of CEOs cast around for a "main theory" – they also use a smorgasbord approach – "horses for courses" – relate to the situation

...in other words you've got to customise the change program, the theory is nice

there is a need to be aware of the environment

a lot is being written, you pick up from them – part of the tool kit

Two interviewees did not support the importance attributed to management theory in the leadership of cultural change:

the leadership theory you read mostly relates to the private sector. I think the constraints that just naturally exist in the public sector make it much harder to manage

not keen on this stuff, models of approaching change – I prefer the history of experience

<u>Government's policy agenda</u>

Straightforward views were expressed about the importance of the Government's policy agenda on the leadership of cultural change in organisations. It needs to be emphasised that some interviewees came from central government agencies, where policy formulation on behalf of government is their core function. Other CEOs led agencies whose roles are not significantly impacted by formal Government policy.

One CEO interviewee observed that some policy impacts are enshrined specifically in 'legal obligations such as the Public Sector Management Act' and 'generically in such documents as performance agreements'.

Interestingly, several CEO interviewees see the Government's policy agenda as having the potential for impacting both negatively and positively on cultural change in public sector organisations:

> not a lot of clear, documented policy from Government. You pick those bits out that relate to your functional responsibility

> [government policy] is a constraint

> can't fly in the face of it, must advise it

> policy agenda can be used as an excuse

> it's about positioning

> government policy may facilitate or frustrate

> I think that the political vagaries of government policy is fairly dismal and even contradictory and dishonest but perhaps that is necessary. I don't know, but I. believe we could have a more effective public sector if there were more coherent policy directions from government

A number of CEO interviewees made comments on the relationship between management theory and policy impacts and compared their relative importance. The generally shared view was that the Government's policy agenda, where it is clear, is the primary consideration for a CEOs in the leadership of cultural change:

> there are tensions between management theory and the Government's agenda – impacting on the capacity for cultural change

> I'm not saying that changes in management theory aren't relevant but I would suspect that CEOs respond to what the Government wants. That means that they attach a management theory to it.

> It's all very well to have these management theories but it's what the Government wants in the end. Strictly speaking the CEO is not the person that's enforcing it, it's the Minister - the priority setting and how things are approached, the proportion of resources available. It's not what the CEO thinks in terms of priorities – it's what the Minister thinks. If you make a public presentation, the Minister will like you to use his personal point of view.

Peers were also identified as an influential factor. To what extent does CEO peer interaction at a professional level take place in the public sector.

In responses to the survey questionnaire, peers were identified as a significant factor in influencing the CEO's approach to cultural change. Views expressed in the follow-up interviews with CEOs, with respect to the impact of peers, were very diverse.

A number of interviewees said that peer interaction mainly occurred through informal networks and that this was the most powerful or effective approach. The *CEO Consultative Group*, set up with the support of the Ministry of Premier and Cabinet, was cited as a more formal body established to encourage interaction between CEOs.

CEOs who headed up central agencies were identified as potentially having a more prominent role in peer interaction due to their core function of supporting agencies to implement the Government's policies:

> I look to central agencies to be coordinators – to be done [effectively] this requires a smaller number of CEOs

> I guess I'm seeing it from a different perspective because as with [central agency] I always have the responsibility [for a number of policies, administrative procedures] relating to CEOs, so generally I have a fair bit to do with CEOs simply through my core business.

Two interviewees expressed strong support for the positive outcomes that flow from peer interaction:

> There is a healthy interaction – there are six that I interact with, in confidence, about managing the organisation or the approach

> I look for and seek out opportunities to talk about management and leadership. I'm very interested in it but I think more than that, I think so many are struggling. I feel like if there are not a lot of people who are willing and generous enough to actually be there - how can we ever change it?

One female interviewee expressed a very strong negative view regarding the difficulty of establishing peer interaction in the male dominated CEO ranks of the WA public sector:

> I'm probably well qualified to talk on this. I'm relatively new to the State public sector and I'm one of the few women who are at that level and I have found it inordinately difficult. The most difficult time of my career actually, to establish interactions, that people feel comfortable...

I think and I know I'm not laughing at this, it's a very hostile environment for women, it's not just blokey because I'm used to work in a blokey [sic] environment, in fact I enjoy them, I like working with men. I loved [agency name] and that would be about the most blokey environment and it was fine but to me, it was a fair environment and if I did my job well that was all that was required.

In this State I have found it very difficult to crack into cliques and there are cliques in the CEO group and they are very male and they are very dismissive and perhaps because of the position I'm in, [agency name]. I've never felt this in my life before, and I hate even saying the words, I feel as though there was a prejudgement about what kind of woman would do this job.

The Commissioner for Public Sector Standards was not enthusiastic about the level of CEO peer interaction in the WA public sector. Part of the reason for this he attributed to deficiencies in the Public Sector Management Act:

It does not happen very much. Again it's one of the failings of Section 29 of the Act. There's no legal requirement to cooperate. CEOs meet every so often to hear a guest speaker and there's the CEO Consultative Group - they talk about general management principles, they talk about current trends in HR, technology and they get briefings.

Every so often John Langoulant [Under Treasurer] lays down the law on the budget. CEO's interact on a policy issue to do with a Government program, and on outcome and output. We'll have to negotiate a cooperative arrangement to what each is going to contribute, what each is going to do, what the agreed outcomes are. That happens, but it tends to be hard-edged negotiations.

There's not much in the way of institutionalised mutual support. If somebody needed support of some kind or needed to talk things over, needed a hand - they'll probably get a sympathetic hearing. But it doesn't happen very often. Whether this is regarded as a sign of weakness, I don't know.

Question 10

The CEO selection process was also identified as an influential factor. What is your reaction to the following quotations?

'The CEOs position being advertised after their employment contract expires regardless of performance. This causes uncertainty for an organisation'

Interviewees were unanimous in their perceptions that the CEO selection process might influence a leader's approach to cultural change in a WA public sector organisation. CEOs are appointed on five year contracts. Section 46 of the *Public Sector Management Act 1994* stipulates that if the Minister does not recommend the reappointment of a CEO at the completion of his or her contract period, the position will be readvertised.

Section 48(1) of the Act empowers the Commissioner for Public Sector Standards to provide advice to the Minister for Public Sector Management (the Premier) on the appropriateness or otherwise of a Minister's recommendation for a CEO's reappointment or removal from office, taking into account:

- an assessment of the extent to which a chief executive officer meets the performance criteria set out in their performance agreement; and

- such other factors as appear relevant to the Commissioner.

Section 48(2) gives the Minister for Public Sector Management the power to act contrary to the Commissioner's advice and not recommend the CEO's reappointment. Such action must be published in the Government Gazette before the appointment process is advertised.

The CEO respondents to the questionnaire survey and those interviewed, were not opposed to limited tenure contracts of employment. Of concern to them is the lack of a transparent, consistent and performance basis for determining whether a CEO's contract should be extended or, alternatively, they be removed from office.

Also of concern was the uncertainty and instability for the organisation and customers fostered by the current selection process. In response to the CEO quotation from the questionnaire survey, that 'the selection process caused uncertainty for an organisation', interviewees responded:

> It certainly does. It's not just the organisation unfortunately it's also the customer focus, it really does. Having gone through it myself, it is significant... I think generally most [CEOs] will continue with the major change processes courageously but in the back of their mind is the organisational uncertainly. It's also the uncertainty for the customers - what's going on in the organisation - obviously the Government is not happy with the CEO, not understanding the process and the impact on the individual CEO, although they may not display it externally but internally it's quite stressful and unnecessarily traumatic.

> There is far too much evidence that the current system causes instability in organisations. Firstly, because it's a tardy process anyway and generally it sort of involves inertia and the organisation suffers. Employees start to have perceptions that things may or may not happen if we expect inappropriate behaviour. I would soundly condemn the current system and have often called for a review of it but without success so far.

> It's bizarre. In the government sector we do it but certainly the private sector would not do it. Basically it shows a total lack of guts by the Minister of the Public Sector, Premier and Cabinet to actually say "you haven't done a good job, we are going to look for someone else".

I know many of my colleagues feel very strong about it and I'm probably less anxious or concerned about it because I personally think that it's a good idea that we put people on contract. In private enterprise people go into positions on contract and if their performance it is reasonable the contract is extended. However, what it does for an organisation is really leave it without any options...So I think if I'm doing my job well and I'm confident then I should be able to retain it [the position] in an interview process and I suppose then if for instance, if I'm doing well but because of political expedience I'll lose it, then I think I would personally be quite happy to lose it...The issue with this is who in the hell is assessing whether we have done a good job or not?...The problem with this is I can do a terrific job but it's contrary to what my Minister wants then none of that is going to matter. It's very, very difficult.

While there is widespread dissatisfaction with the selection process amongst CEOs, the Government has remained firm in its commitment to the current approach. One CEO interviewee said:

I agree that it causes uncertainty - I'm not sure to the extent that occurs, that's a difficult one to respond to, some may have that sense of perception. The whole matter of the CEO's appointment has been subject to great debate for some time. The Premier's reiterated his motive very recently that he will not change and we may readvertise but there's a lot of concern about that uncertainty.

The Commissioner for Public Sector Standards candidly touched on a number of issues associated with the current process. His views confirm the likely destabilising influence of the process for CEOs and their organisations:

Yes I mean – that's [the selection process] equivalent to having the 'skids under you'. It's an unsettling factor. You're on your own as a CEO. If the Government does not think you're performing over a change of policy, they don't think you're the right person – they'll sack you. On the other hand, there are also numerous examples of CEOs who have been moved. If we're re-structuring and we don't think you're the right CEO for it but there's something for you over there and if the CEO says OK, he or she can walk on a new path.

If they think that the CEO is a quality individual, they sort of reprogram and send him up in another direction. I think most CEOs that are sensible have got a reasonable level of self confidence. Even if they readvertise the job, they've reappointed the incumbent almost every single time.

Some of the leaders, they've got a five year contract. In the fourth year they look for another job. They're not going to go through a re-employment process. A lot have said it but very few have done it because they can see everybody is being reappointed. It's also the situation that if you have got an incumbent he or she will very likely be re-appointed. Nobody else applies. You don't get any genuine applicants.

'[CEO] confidence in their ability to keep their jobs if after restructuring the political agenda uses the CEO as the scapegoat'

CEO interviewees could relate to the scenario portrayed in the above quotation. They generally understood that their roles were at the interface of the development and implementation of the Government's political agenda. They are pragmatic and

unfazed in their appreciation that their jobs might be jeopardised by the political manoeuvring of the Government:

> restructures are used, as a strategy, to replace CEOs. CEOs have to understand the environment.
>
> you need a change of CEOs to bring about change. One thing you learn very quickly in life is that if something goes wrong it is the CEO who wears the consequences
>
> them's [sic] the breaks – goes with the job!

Several CEOs reflected on the consequences of this type of manipulation by Government:

> loyalty is a two way street for Government and CEOs
>
> To draw a line through that trend... you're going to end up with CEOs who are nothing more than "doers" for Government and, that is not a position you want to be in.
>
> I am concerned about this. I have no control over what may happen or what has happened but I'm very conscious that you've got to support your management team or your executive in terms of what you've told them to do and you've got to support them in all kinds of ways.

Question 11

What impact, if any, might the following factors have on the CEO's leadership of cultural change in an organisation and why?

CEO interviewees were canvassed about any causal relationships that they might perceive to exist between the demographic factors addressed in the survey questionnaire and the capacity of CEOs to lead cultural change in their organisations.

As detailed in Chapter Five (pp.98-103), the demographic profile of the CEO study group was uniform for most of the survey factors. Most of the CEOs were career public servants with the average length of service being eighteen years. A vast majority of the CEOs surveyed held substantive positions but had only served as CEOs in one or two agencies. 65% of the survey group had not worked in the private sector in a management capacity.

A vast majority of the survey group was also male and between the ages of forty and fifty-nine. 50% of the group was over fifty years of age.

CEO survey respondents lead a broad spectrum of agencies by size. However 43% were in charge of agencies with less than one hundred staff.

In contrast to the uniformity of the survey group's demographic profile, CEO interviewees' perceptions of the impacts of demographic factors on the leadership of

cultural change were diverse and in some instances opposite. It is likely that both situational and personal factors ensure that the perceptions of the impact of demographic factors are likely to be problematic. It is not possible, therefore, to make generalisations from the perceptions of the survey group regarding demographic factors and their relationship to CEO leadership of cultural change in the WA public sector.

Length of public service

Interviewee perceptions of the potential impact of length of public service on a CEO's leadership of cultural change were diverse. They ranged from no effect through to possible effects linked to the nature or quality of that service, the personal leadership style of the CEO or the different values that might be applied by a CEO who has come from outside the public sector:

> nature rather than length of service determines usefulness

> no effect

> Obviously if you're steeped in a traditional way of doing things it is harder for you personally to adopt any new path. I can think of examples of long-standing public servants taking a direction with great vigour and keenness so I don't think you can make a generic statement.

> I think people who have been in the public sector a long time as opposed to those who have not, they settle differently - maybe it is something to do with the fact that it's a different value system inculcated for those people who have been in the public service for twenty odd years - but I don't expect that as being resistance of change or some impediment to cultural change, it's more just a way of looking to it all differently.

CEO leadership experience in a limited number of agencies

The values of quality, diversity and the level of exposure CEOs have to different cultures in their organisations were seen to contribute to the influence of this factor. These themes were not only linked to the number of agencies in which CEOs had served but also their cultural complexity and the nature of the change environment:

> diversity is a great asset, important to be exposed to a range of cultures

> yes, movement across agencies gives a broader appreciation

> I guess there is an issue that if the CEO does have leadership experience in one agency and that agency hasn't had a lot of change. Then that may support the statement. But if however they have only been in one agency or they have been in a small number that have had change then the theory holds out.

One CEO also proposed that at an advantage might be created by a leader who has only worked in a limited number of agencies. For example, a CEO might adopt the posture of a 'naïve inquirer' when moving to a new agency or promote the 'proprietorial vales' that might be associated with a leader who has dedicated years of service to a single agency.

Being substantive or temporary in the CEO position

Most interviewees felt that being substantive (permanent) in the CEO position compared to being a temporary incumbent did make a difference in the leader's ability to bring about cultural change:

> felt different when acting – needed a mandate

> being substantive helps, it gives authority to the office

Two interviewees provided contrasting temporal perspectives between the unforeseen or urgent nature of some temporary appointments and the planned circumstances of a five year substantive appointment:

> It depends on the horizon - I have seen that being temporary has been a big problem. When I began being a CEO, the change was so urgent I knew that I needed to get it done. With any change you have got to be aware that you will upset a lot of groups.

> No doubt that being substantive and being five years out from reappointment give you a lot more credibility, a lot more strength, a lot more courage of your convictions than if you're temporary or about to be re-appointed.

Two markedly different perspectives were provided to this demographic factor. It is possible that the nature of all responses to this factor may relate significantly to whether CEOs have had personal experiences of both acting and substantively filling the leadership role:

> everybody knows these days that people use acting as a "try before you buy exercise". I mean your good CEOs don't give a stuff if it is temporary or substantive. The ones who worry about it being temporary or substantive probably won't get the job.

> does not affect one little bit! – [temporary] appointment is not considered inconsequential

Leading a small (number of staff) or a large agency

The principles of leading organisational change were not perceived to be different between large and small agencies by the interview group. The shared view

was that leading cultural change in larger agencies is more complex, takes longer and requires a bigger investment in communication:

> maybe more complex with a large agency
>
> takes longer to "turn the Queen Mary around"
>
> I think you get different dynamics, I can recall being able to introduce the Premier to everybody in the department by name and we're talking 100 persons - I could not do that now because of the much larger agency so you do get the good dynamics
>
> The essential thing about a large agency is to ensure that everybody gets the same message at the same time. Participation is harder in a large organisation.
>
> harder with big agencies - need different strategies

Experience working only in the public sector

Having had private and public sector management experience was regarded by some interviewees as 'not significant', 'not a huge issue' or 'having no negative impact' on a CEO's leadership of cultural change.

One comment related to the possibility that the functions of some agencies such as CAMS (Department of Contracts and Management Services) benefited from having CEOs who had knowledge or experience of private sector practices.

The imputation that there may be a benefit in public sector CEOs having private sector experience was reversed by another interviewee:

> I think much more the other way around, people leaving the public sector to work in private sector normally have an easier time of it. If you have only worked in the public sector I would not regard it as a disadvantage.

Gender

No interviewees regarded gender as a primary factor that impacts on a CEO's leadership of cultural change in public sector agencies. One interviewee commented that it 'can be a battle at the beginning for women – to cut through the stereotype that women do things differently'. Another commented that 'female CEOs tend to network differently and perhaps manage crisis differently and that they might be more collaborative'.

The Commissioner for Public Sector Standards made a general comment with regards to the importance of diversity in the public sector and women's 'instrumental

role in bringing about change':

> I think women are discriminated against. There is not enough of them in senior positions. They get paid less. There are more women in the public sector than men. The name of the game is diversity, we have a global environment and have to be internationally competitive. Your workforce should match the diversity of your client base and women are most important in bringing about cultural change – the good ones! But there are not enough of them – only about 13% of SES positions.

Age of the CEO

Several interviewees drew a relationship between age and experience in the leadership of change:

> I think in some organisations that a very young person might not, in fact, be able to command the respect instantaneously than someone who perhaps is just a little older, who has a range of experiences that age brings. I don't think age at the other end of the spectrum is a major matter.

> I think often age correlates with experience and I think those two things together really mean that, well, it should not be an issue. I think that you do need to be a certain age, you have a certain experience and that probably means that you're going to be at least in your forties and probably in your late forties before you get enough experience.

Several interviewees acknowledged the 'new ideas', 'energy' and particular skills such as 'IT', that younger CEOs may bring to the change process. In contrast two interviewees referred to a possible decline in commitment or energy that might be associated with the latter stages of a CEO's career:

> Yes age is important. If you are getting on towards retirement you are quite happy to mark time until you are out the door. Its hard to be kicking and fighting and moving and shaking when you're coming up to 65 years of age.

> [it is important] by virtue of no fuel left in the tank!

General Comments

At the completion of each interview, CEOs were asked if they had any additional comments they would like to make in relation to the questionnaire or the research topic in general. A majority of interviewees said that they found the interview to be 'broad ranging' and they had no additional comments to make.

One CEO interviewee had the view that an underlying assumption of the interview was that cultural change was something 'you manage separately from managing the organisation'. The interviewee believed that cultural change in an

organisation was a consequence of a change in business direction and not something that is 'managed' in a direct way.

> I don't think you manage cultural change, you manage the business and the culture changes within it. You might want to start to behave in a much more customer friendly way but you don't manage the culture towards customers. You put in place a framework that recognises the response of customers. You talk about response to customers, you do the appropriate surveys, you provide the benchmark as to what's required. You provide some sanctions when that's got to occur then the culture will move in that direction.

This response was exceptional. A clear basis for the study is that cultural change is but one aspect of broader organisation change and that specific cultural change strategies might form just one part of a broader range of strategies used by CEOs in leading their organisations towards change outcomes. Data collected in the survey questionnaire demonstrated that CEO respondents do actively use cultural change strategies in their organisations (see Chapter Five).

Another CEO commented that, overall, CEOs of the current generation were familiar and comfortable with cultural change:

> What I would say is because of my question about changes that occurred in 1980. I think most of the older public servants that perhaps were unable to change and were unable to lead cultural change are no longer with us. I think that probably all CEOs that are currently employed are of the generation that have grown up with change and now it's just a part of the job.

While CEO participants in this study regarded cultural change in the public sector to be a very important issue one CEO asserted that Government was not paying it adequate attention:

> People in the community, frankly are not interested in the matter but Government has to be. Government in terms of Ministers and the Cabinet of the day has to be sensitive to what they are doing with the public sector, and that's important for their own performance. That's important for the future of Governments and they have an obligation to the community at large to do that but sadly, I don't think many do. I don't think many Governments pay proper attention to that issue.

Finally, government Ministers were mentioned frequently during interviews. For example Ministers were referred to in relationship to the 'courage' leadership attribute, cultural change in relation to government expectations, and policy agenda and the CEO selection process.

The potential for the political interference of a Minister in agency operations

was mentioned, in general terms by one CEO interviewee:

> ...the relationship between the CEO and the Minister is quite important in all the public sector - where sometimes the Ministers are defacto CEO's. I have been fortunate enough not to have had this experience with all my Ministers since I've been a CEO. It is an experience where the Minister has agreed on the role of the CEO and then has agreed that the CEO does not play politics and the Minister does not play CEO and agree on a position that as a CEO I'm to manage the organisation, manage cultural change and be responsible for it.
>
> I guess it also depends on the function of the organisation, if you're not a politicised, functional organisation then the interaction is going to be a lot different...

6.6 Conclusions

The aim of the in-depth interview phase of this study was to develop deeper and broader levels of conceptual understanding relating back to the primary research questions and to gather additional, connected observations. CEOs were very generous in their time commitment to the interview process and were frank and comprehensive in their responses to the open ended interview questions.

Interview questions attempted to draw various types of responses from interviewees to the concepts that had emerged from the survey questionnaire phase of the study. The response types included affirmation, amplification, explanation and examples based on the values, experiences and knowledge of the respondents.

Overall, the responses contributed positively to the further development and consolidation of emergent concepts. There were no instances where interview responses, either through their quantity or quality, critically challenged emerging concepts in a way that would require a fundamental review of findings from an earlier phase.

The following brief conclusions relate to the specific focus of the interview questions. Overarching conclusions drawing on all phases of the study and linked directly to the primary research questions will be developed in Chapter Seven Research Summary and Conclusions.

The Importance of Emergent Leadership Characteristics and Attributes

Setting and communicating vision was regarded as important because of rapid change in the public sector operating environment and the Government's tendency to

focus on short-term issues. CEOs viewed the setting and communication of vision as processes that should be shared with other members of their organisations.

CEOs felt that honesty, integrity and ethical behaviour were attributes that could not be separated. They were perceived as core leadership values and attributes because of their potential to impact on a CEO's credibility. In Western Australia public sector employees are also guided by a Code of Ethics.

The capacity to inspire and motivate was regarded by interviewees as characteristic of a particular leadership style that is quite important during times of organisational change, uncertainty and policy changes which may disaffect staff.

Finally, the interviewees affirmed the emergence of 'courage' from the questionnaire survey phase of the study. Courage was perceived as important in gaining the respect of the public, staff and Ministers and was apparent, for example, in situations where the CEO maintained a position on an issue that may be in conflict with Government direction.

Cultural Change as a Process of Alignment

Western Australian CEOs saw cultural change as a matter of aligning organisational values and behaviours with agency directions, community and government expectations and the requirement for efficiency and effectiveness.

The importance of alignment of cultural to organisational mission, direction and outcomes might be heightened by what CEOs have identified as the uncertainty that exists in the WA public sector operating environment of today.

CEOs also pointed to the importance of how an organisation's mission is set. Serious staff participation in setting the mission, for example, was regarded as critical to the process and the shifting of organisational culture.

CEOs feel that cultural change also includes alignment with community and Government expectations for services and the implementation of policy. This aspect may be related to Government's long standing priorities for customer service in the WA public service (Court 2000) and organisational accountability based on outputs and outcomes for Government.

The CEO view that organisational values and behaviours need to be aligned with requirements for improved efficiency and effectiveness, is indicative of their

responsibility for implementing public sector reform agendas associated with outsourcing, accountability and contestability. For those agencies that have become 'commercialised' the need for a substantial re-alignment of organisational culture may be urgent.

Cultural Change – Is it a Significant Issue for CEOs Today?

The CEO interviewees affirmed the clear and consistent views expressed in the survey questionnaire. They believe that cultural change is a significant issue in the public sector. They track the genesis of the issue back twenty years to government reforms and changing macro economic conditions.

CEOs believe there is a high expectation for cultural change in the public sector but are unclear as to the extent to which change processes are occurring and their impact on organisations.

Effective Cultural Change Strategies – Why Do They Work?

CEO interviewees confirmed the importance of the identified primary and secondary strategies in bringing about cultural change in public sector organisations.

Expectations for cultural change need to be evident to staff from the 'top' of the organisation. Therefore, role modelling by CEOs and what they systematically pay attention to on a regular basis are important.

These strategies provide the CEO with an opportunity to communicate to staff what they value and what they think is important in the workplace.

Role modelling and what the CEO pays attention to can also be used effectively as a controlling mechanism through 'checking' and 'directing staff'.

CEO interviewees provided qualified agreement that the secondary strategies to do with organisational processes and procedures and the design of organisational structures could be effective in facilitating cultural change. It was argued, however, that such strategies are not effective if used in isolation.

There were disparate responses to the impact of the design of organisational structures on cultural change. This can be largely attributed to differing situational factors impacting on CEOs and their organisations.

Accounting for Inconsistencies in CEOs' Views of Cultural Change Strategies

CEOs were quite comfortable in explaining the significantly high proportion of survey questionnaire respondents who used certain strategies but also found them to be potentially ineffectual. This scenario related to 'formal statements about our role and the way we do things around here' and the use of 'facilities and space'.

These strategies were regarded by CEO interviewees as having the potential to positively impact on cultural change in organisations, hence their high level of deployment. Neither however were regarded as being sufficient for sustainable change without the use of other complementary strategies as part of a comprehensive approach to change.

Planning and Staff Development – Are They Useful Cultural Change Strategies?

CEO interviewees affirmed the importance of planning and staff development as strategies that are potentially important in bringing about cultural change in public sector organisations. However, as with other change strategies, interviewees made the observation that, while planning and staff development were intrinsically important, their effectiveness was dependent on the efficacy of underlying processes and whether they were used in an integrated way as part of organisational development.

The Leadership of Cultural Change – Is it a Crucial Part of the CEO's Role?

Possibly the most consistent and powerful view expressed by CEOs in this study related to the above question. CEOs perceived the leadership of cultural change as a critical role for themselves and one for which they had primary responsibility in their organisations.

Management/Leadership Theory and Government Policy Agenda – How do They Affect a CEO's Approach to Cultural Change?

Management and leadership theory is perceived by CEOs as having a role to play in informing their approach to cultural change but they are pragmatic and selective about its application.

Government policy is not perceived to be of major relevance to some CEOs in their approach to cultural change. Where policy is clearly asserted by Government, it

is regarded by CEOs as being very significant to their approach and of greater importance than management and leadership theory.

Peer Interaction – Is it Influential and Does it Take Place Amongst CEOs?

CEO interviewee responses to the importance of CEO peer interaction were diverse and generally moderate; however, the potential value of peer interaction was not questioned. Some interaction took place within the forum of the CEOs' *Consultative Group* but more commonly occurred through informal networks.

It was perceived that the role of central agency CEOs would predispose them to be involved in regular peer interaction.

The CEO Selection Process – Reaction to Certain Aspects

A majority of the interviewees were very strident in their criticism of the Government's CEO selection process. They said it had the potential to have a deleterious impact on cultural change in the public sector and a destabilising effect on agencies where CEOs were not reappointed directly at the completion of their five year contracts.

CEO interviewees were critical of the lack of a transparent, consistent performance management system to guide the reappointment process.

CEOs were personally pragmatic and unfazed about their possible implication as scapegoats in the Government's implementation of its political agenda.

The Impact of Demographic Factors on the Leadership of Cultural Change

Interviewee perceptions of the impacts of demographic factors on a CEO's leadership of cultural change were diverse and in some instances opposite. Situational and personal factors might significantly influence such perceptions, ensuring that the impact of CEO demographics on the leadership of cultural change is likely to be problematic and difficult to generalise across the public sector.

CHAPTER SEVEN

Research Summary and Conclusions

7.1 Introduction

The purpose of this study has been to explore the role of CEOs in leading cultural change in WA public sector organisations. To fulfil this purpose the researcher applied mixed methodologies (see Chapter Three, pp.56-58) in order to obtain:

- open ended contextual information and descriptions of CEOs' views about, and experiences of, leading cultural change in the public sector; and

- semi-structured accounts of transformational strategies used by CEOs and factors that might impact on their effective implementation of such strategies.

As illustrated in Diagram 7.1 on the following page, methodologies were combined in a developmental sequence.

The in-depth interviews detailed in Chapter Six represented the final of three distinctive but related data collection procedures. Firstly, preliminary interviews with SES officers were used to validate concepts relating to the primary research questions that emerged from a literature review. A subsequent survey questionnaire of WA public sector CEOs produced a range of findings which, in turn, were explored in-depth through a series of interviews with a sub sample of the CEO group.

Using the primary research questions as the focus, this chapter aims to integrate findings from the field data collection procedures. Discussion will centre on the summative nature of the findings and linkages to the research literature.

Some conclusions will be generalised from the study samples to all WA public sector CEOs. This is considered justifiable, based on the very acceptable 65% rate of survey questionnaire return from the total CEO cohort (see Chapter Five, p.83) and the testing and further refinement of survey findings through the in-depth interviews.

Matters that might be considered for further investigation will also be highlighted in relation to the primary research questions.

Diagram 7.1

Research Summary and Conclusions
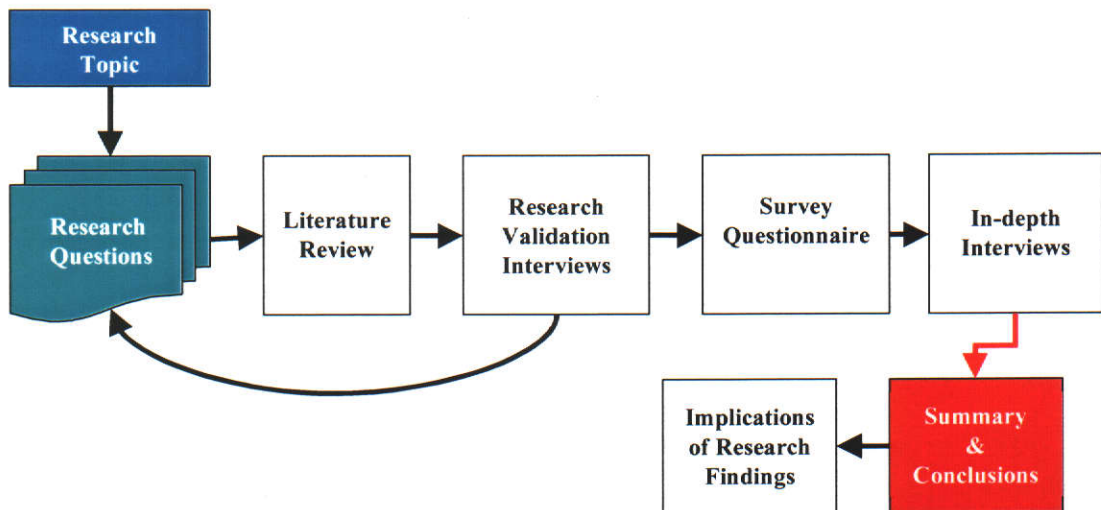
7.2 What Do CEOs Believe Are The Most Important Characteristics Of Leadership In The Western Australian Public Sector?

The concept validation interviews with SES officers foreshadowed the communication of an organisation's mission and the establishment of a sense of vision or shared purpose, as primary leadership roles of the CEO in the public sector. This view of leadership was affirmed in the survey questionnaire, where setting, directing and communicating vision were the most common leadership characteristics associated with a visionary leadership concept cluster.

Table 7.1 on the following page identifies the leadership concept clusters, examples and most common leadership characteristics that emerged from the survey questionnaire. Adjacent to these items are transformational leadership constructs identified in research literature. The leadership characteristics, identified as important by WA public sector CEOs, are consistent with those identified in the research literature.

Table 7.1

CEO Leadership and Transformational Leadership Characteristics

Survey Questionnaire		Transformational Leadership Constructs From the Literature Review
Leadership Concept Clusters & Examples	**Most Common Specific Characteristics**	

• visionary leadership
   – ability to see the 'big picture'
   – developing and communicating vision
• stakeholder leadership
   – influencing and supporting the Minister
   – negotiating with stakeholders
• strategic leadership
   – long-term planning
   – aligning resources with priorities
• staff leadership
   – team building
   – conflict resolution
• personal attributes
   – commitment
   – flexibility
	• vision and direction
	• capacity to inspire and motivate
	• honesty and integrity
	• ethical behaviour
	• courage
		• articulate and communicate a clear vision
		• align followers to the vision
		• build commitment
		• empower followers to accomplish objectives

When interviewed, CEOs affirmed the significance of the above leadership characteristics in the public sector.

Generally absent from the broad range of CEO responses, to both the survey questionnaire and in-depth interviews, were perceptions that gravitated to the 'management' end of what Kotter (1996, pp.25-31) describes as a 'management versus leadership' dichotomy of changing organisational culture. In this dichotomy managing change focuses on the set of processes required to keep a complex organisation running smoothly in the short term, such as planning and budgeting, organising and staffing, controlling and problem solving. Leading change, in contrast, relates to processes that strive for sustainable organisational adaptation to

significantly changing circumstances. These processes include adjusting direction, aligning values and behaviours to this direction, motivating and inspiring staff and stakeholders.

As detailed in the literature review, in view of the significant ongoing change in the public sector over the past twenty years and the emergent role of CEOs in implementing such change, it is not surprising that WA CEOs identify with the theoretical construct of a *transformational leader*.

The emphasis placed on ethical behaviour in leadership may reflect CEOs association of this, and the related attributes of honesty and integrity, to their personal credibility and responsibility for implementing the Government's Code of Ethics (Haynes & Jones 1999). A perception of a decline in Government's ethical standards from 1983 onwards (Peachment 1995) and occasional negative accounts in the media of CEOs being compromised on issues with ethical implications may also have heightened their sensitivity to such characteristics.

The capacity to inspire and motivate was regarded as an important staff leadership characteristic, but one that comes more naturally to some CEOs than others. Its importance may be linked to the climate of change in the WA public sector that may foster uncertainty, disaffection and low morale amongst some staff.

Courage was a transformational leadership characteristic identified by CEOs that was not canvassed strongly in the research literature. This may reflect the situation in Australian state and national public sectors where regulatory constraints, political pressures and stringent public accountability requirements may place CEOs in the position of making 'courageous' personal decisions in the face of compelling, conflicting demands.

A current and high profile instance of a CEO demonstrating courage, arguably misguided, has been the ongoing efforts of Jonathon Shier to transform the culture of Australia's national broadcaster, the ABC (*Weekend Australian* 17-18 Feb. 2001[1]; *West Australian* 19 Feb. 2001). While ruthlessly implementing transformational strategies endorsed by his Board, Shier appears to alienate growing numbers of his staff and ABC supporters around the country.

---

[1] The cover story, editorial and inside feature devoted to Shier's transformational leadership of the ABC, is arguably unprecedented in the extent of coverage provided by a national or state newspaper to a public sector CEO.

An editorial in the *Weekend Australian* (10-11 March 2001, p.16) provided an exceptional example of how what might be perceived as a courageous approach to changing organisational culture in the public sector, can arouse complex cultural tensions within an organisation and the community and incite hostile, public criticism:

> It's a brave and far-reaching vision [to reach beyond its traditional audience base] that should be supported by all who value the role of the ABC.
>
> Unfortunately, that's the point at which the Shier battering ram collides with the bulwark of ABC culture. Not the dynamic culture that supplies so much creative talent to Australia's arts and entertainment industries, sets trends for other broadcasters and benchmarks for news and current affairs reporting. We're talking about the backs-against the wall culture that sees every change as an assault on the ABC's independence and therefore its credibility. Those who fit into this culture are doing themselves a disservice and should be mindful of their own responsibilities to the organisation they work for. But similarly, it is not good enough for Mr Shier to blame resistance on that culture alone. Condoning witch hunts on staff, making decisions on the run without adequate consultation and slashing the budget of news and current affairs to pay 55 new senior managers is not the "active" management style that wins friends and influences people. Changing the ABC culture will require a team effort and Mr Shier's captaincy needs to be up to scratch.

Overall, CEOs are very articulate in their characterisation of a transformational style of leadership in the WA public sector. Western Australia's current generation of CEOs has been appointed during a period of sustained public sector change. Their appointment and tenure is perhaps a testimony to their effectiveness as transformational leaders or, at a minimum, their capacity to survive in a dynamic, uncertain operating environment.

In another aspect of the field data collection, CEOs were also asked their views on the impact of leadership and/or management theory on how they approach cultural change. CEO responses indicated a clear awareness of and need to embrace good leadership and management practices arising out of contemporary theory. This finding needs to be qualified by the CEOs' practical and pragmatic view that new ideas need to be evaluated and, at times, customised to fit the particular contextual needs of an organisation.

WA public sector CEO perceptions of leadership and management theory are consistent with comments made by secretaries of Commonwealth public service

departments in interviews conducted by Halligan, Mackintosh and Watson (1996). They also point to a possible paradigm shift in attitude beyond Micklethwait and Wooldridge's (1996, p.319) global perspective of a public sector 'obsessed with management theory'.

Conclusions

- CEOs identified important characteristics of leadership in the WA public sector that are consistent with the theoretical construct of *transformational leadership.*

- The most commonly identified leadership characteristic was setting, directing and communicating vision. Other common characteristics, related to the personal leadership attributes of ethical behaviour (linked to honesty and integrity), the capacity to inspire and motivate, and courage.

7.3 What Do CEOs Understand By The Concepts Of Organisational Culture And Cultural Change In Public Sector Organisations?

The CEO leadership context for this study was organisational culture and change. Schein's (1992) seminal work on organisational leadership and change was used as the foundation for the development of a theoretical construct of organisational culture and the leadership of cultural change (see Chapter Two, pp.29-33).

From the concept validation interviews with SES officers and responses to the survey questionnaire, a functional perspective of organisational culture emerged. Organisational culture was regarded as important to 'what makes an organisation tick' and 'the way we do things around here'. When asked to explain their understanding of the terms *culture* and *cultural change,* as they apply in the workplace (as opposed to a theoretical perspective), CEOs described culture in terms of the underlying values, attitudes and behaviours that influenced how an agency went about its business.

The effect of organisational culture was regarded as pervasive at the individual and agency levels and, externally, in terms of stakeholder relationships. Overall, CEOs did not describe organisational culture in words or examples that would imply an appreciation of the complexity and multidimensional nature of the concept. This may be a reflection of a shortcoming in the survey questionnaire and in-depth interview data collection procedures or a superficial understanding of organisational culture by some CEOs.

However, when later asked about the potential effectiveness and application of cultural change strategies, many CEOs did demonstrate an appreciation of some more complex aspects of organisational culture. For example, CEOs were able to distinguish between the possible deep seated impacts on organisational cultural that might accrue from effectively applied primary transformational strategies and the potential ineffectiveness of transformational secondary strategies, used in an isolated and ad hoc way.

CEOs did not address organisational culture in terms of its specific characteristics or distinctive impacts for new, mature or declining organisations. Western Australian CEOs seem to perceive cultural change in public sector organisations as the process of re-aligning organisational values and behaviours to certain organisational aspects. These aspects included:

- mission, organisational direction and outcomes;

- community and government expectations; and

- improving efficiency and effectiveness.

The re-alignments identified by CEOs may be linked to a range of policy, administrative and business improvement requirements that have been promoted in the WA public sector environment during the past five years. A simple illustration of the re-alignment of organisational culture to organisational aspects identified by CEOs and connected to some of the major pressures for change, appears in Diagram 7.2, page 149.

This study did not explore or seek to measure the extent to which cultural change had actually occurred in WA public sector agencies. However, based on their claim of widespread use of change strategies, it appears that most CEOs in the study perceived that cultural change was an active process in their organisations.

The level or extent of measurable cultural change in WA public sector organisations resulting from the application of specific change strategies would make a worthy topic for some future investigation.

Conclusions

- CEOs regard organisational culture as the underlying values and behaviour that influence the way an organisation goes about its business.

- CEOs perceived cultural change as a process of re-aligning agency culture to a range of aspects, foremost being organisational direction, community and Government expectations and the improvement of efficiency and effectiveness.

Diagram 7.2

Cultural Change As A Process of Organisational Re-alignment
[As identified by CEOs and connected to some of the major pressures for change]
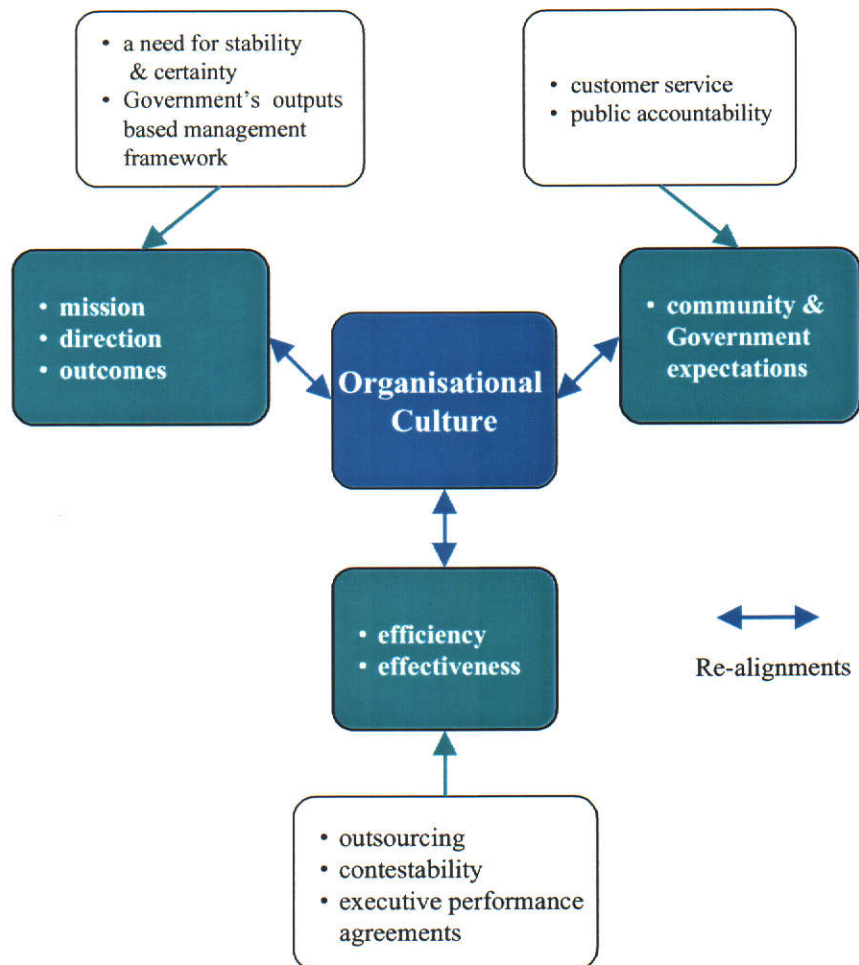
7.4 Do CEOs Apply Specific Transformational Strategies To Bring About Cultural Change In Their Organisations?

When validating concepts that emerged from the literature review, relating to the above question, SES officers interpreted the phrase 'transformational strategy' as a revolutionary change or paradigm shift in an organisation's culture. As previously noted in this study, organisational culture and change is multidimensional. It can be

very subtle or very obvious, and incremental or revolutionary in its development. In order to be clear about the application of this phrase, prior to being questioned about the potential effectiveness and actual use of transformational strategies, CEOs were provided with the following caveat (Survey Questionnaire, Appendix 6, p.209):

Transformational strategies are used by CEOs to substantially change some aspect of the status quo in their organisations. In relationship to cultural change, such strategies broadly relate to either the observable actions of the CEO (Primary Strategies) or organisational process and structures (Secondary Strategies).

Through the survey questionnaire and in-depth interview data collection procedures, CEOs were asked to comment on a set of eleven common strategies identified by leading writers on transformational leadership (Cairnes 1992; Schein 1992; Yukl 1994; Whiteley 1995; Parry 1996; Hughes et al. 1996).

Table 7.2

Common Cultural Transformation Strategies

Primary Strategies	Secondary Strategies
• what a leader attends to on a regular basis	• design of the organisational structure
• how the leader reacts in a crisis	• organisational systems and procedures
• how the leader reacts to success and failure	• facilities and physical space
• observed criteria for allocating rewards	• formal statements of philosophy, charters, management principles, plans
• how leaders select, promote and remove staff	• stories, rituals, legends
• role modelling by the leader	

Nine of the eleven strategies were judged by all CEOs to be potentially effective in bringing about cultural change in public sector organisations[2]. Eight of the eleven strategies were used by 70% of the CEO questionnaire survey group to bring about cultural change in their organisations. The strategies regarded by CEOs as most effective were:

Primary strategies

- what the CEO systematically pays attention to on a regular basis; and
- role modelling.
  Secondary strategies
- organisational processes and procedures; and
- the design of organisational structures.

It is very significant that an average of 90.4% of the survey questionnaire respondents perceived that they used the above four transformational strategies in their organisations. When interviewed, CEOs affirmed the high level of effectiveness and use attributed to these four transformational strategies. These results would suggest that WA public sector CEOs are actively adjusting aspects of their own leadership behaviour and some organisational processes and structures as a means of bringing about cultural change in their organisations.

CEOs in the study also identified planning processes and staff development as strategies that underpinned cultural change. However, they emphasised that these strategies needed to be well thought-out, effectively implemented and linked to specific outcomes for the organisation.

WA public sector CEOs saw the potential impact of several transformational strategies as dependent on other complementary strategies. For example, the use of formal statements (such as mission statements) as a means of communicating expectations about an organisation's role and 'the way we do things around here' was a strategy applied with a strong qualification by a majority of CEOs. To be effective they said, such formal statements needed to be the outcome of participative decision making processes and backed-up by 'walking the talk' or complementary role modelling.

---

[2] A majority of the survey questionnaire respondents did not regard stories, rituals and legends or facilities and physical space as potentially effective cultural transformation strategies.

While the arrangement of facilities and physical space was used as a transformational strategy, CEOs saw their effectiveness being dependent on the nature of work to be performed in an area, staff relationships and mix.

Conclusions

- CEOs affirm most of the specific transformational strategies identified in the literature, as potentially effective in bringing about cultural change in their organisations.

- CEOs perceive that they use most of these strategies to bring about cultural change.

- Of the transformational strategies identified in the literature, the most popular with CEOs were:

    - role modelling;

    - what the CEO systematically pays attention to on a regular basis;

    - organisational processes and procedures; and

    - the design of organisational structures.

- In addition to the strategies identified in the literature, CEOs also regarded planning and staff development as important transformational strategies.

- CEOs recognise that the potential effectiveness of transformational strategies can be influenced by how they are used in relation to other strategies and by the efficacy of the processes upon which they are based.

7.5 Do CEOs Regard The Use Of Transformational Strategies To Bring About Cultural Change In Their Organisations As An Important Part Of Their Role?

As noted in the literature review there has been very little analysis of the impact of CEOs' leadership on change in public sector agencies. However, the critical relationship between the role of the CEO and effective change in the public sector has been promoted internationally and within Australia (Jans & Frazer-Jans 1991; Kakabadse 1997; Hanna & Webb 1997; Brosnahan 1999). WA and Commonwealth public sector legislation also identifies the 'accountable' role of CEOs in delivering outcomes for Government and managing their departments (Western Australia Parliament 1994; Australia Parliament 1999).

It was strongly evident from survey questionnaire and in-depth interview data that CEOs regard the use of transformational strategies and the leadership of cultural change as an important part of their role.

This is, perhaps, unexceptional given that CEOs, as the accountable officers within public sector organisations, could be expected to take the lead on such matters. However, CEOs in the study group regarded the leadership of cultural change as a crucial and exclusive role for themselves.

The personal importance CEOs place on the process of cultural change is worthy of further consideration. Given the WA Government's primary focus on the delivery of outputs or services and the achievement of community outcomes, why are CEOs concerned with the less tangible notion of organisational culture?

It is possible that CEOs intrinsically value cultural change in their organisations as a prerequisite for business improvement. This is supported by CEOs' views, reported earlier in this Chapter, on the importance of links between the re-alignment of organisational culture to achieve required outcomes and improve efficiency and effectiveness.

It is also possible that CEOs' concern for organisational culture reflects a desire by many to balance 'hard edged' structural change in their organisations with 'softer' strategies focused on the personal and social competencies[3] of the leadership group (including themselves) and staff. Such strategies are not necessarily specified by CEOs as part of an approach to achieving cultural change. Rather, they are more often implicit in the emphasis placed on competencies or attributes such as self-confidence, adaptability, initiative, understanding others and leadership.

Through the survey questionnaire and interviews CEOs confirmed leadership/management theory as a factor that might influence their approach to cultural change. While pragmatic in their adoption of theoretical solutions to organisational problems, CEOs are open-minded about better ways of doing business.

CEO responses in this study indicate wariness of 'quick fixes' and a desire to assert control over business improvement initiatives, particularly those provided by external consultants. CEOs want to pick and choose from a smorgasbord of theoretical approaches in order to build solutions that meet their organisational context.

---

[3] Coleman in his book *Working With Emotional Intelligence* (1998) describes the 'Emotional Intelligence Framework' that details five elements of personal and social competence. These are: self-awareness, self-regulation, motivation, empathy and social skills.

Responses to the questionnaire survey indicated that Government's policy agenda was also a significant factor that might influence a CEO's approach to cultural change. The importance of this factor was given qualified support by interviewees. It seems that Government policy has a differential level of importance for public sector organisations. For example, central agencies and agencies managing sensitive social issues may be more responsive to Government's policy agenda than a small process oriented, regulatory body.

Interviewees were also asked to comment on the level of CEO peer interaction that takes place in the public sector. CEOs agreed on the value of peer support and its potential importance in influencing their approach to cultural change. The level of actual peer interaction identified in this study was, however, only moderate. The CEOs Consultative Group is cited as a formal body that facilitates peer interaction.

Central agency CEOs are cited as active participants in peer 'networks'[4]. It is likely that this is linked to the core business of central agencies in leading and coordinating the implementation of cross agency policy initiatives.

CEOs were also asked to comment on the impact of the CEO selection process and their possible entanglement in political agendas, on their approach to cultural change in their organisations. Overall they perceive that both of these matters can have a deleterious effect on the stability and culture of public sector organisations.

Concerns with the CEO selection process were raised by CEO respondents to the survey questionnaire and confirmed by interviewees. While comfortable with the their five year employment contracts with government, CEOs are strident in their criticism of the CEO reappointment process. It is perceived that this process is not grounded in a robust performance management system, lacks transparency and is not always applied in a consistent way.

---

[4] 'Networks' describe the informal relationships entered into by leaders in response to increasing demands for coordination associated with non-routine activities and change. The numerous communication channels and the trust developed amongst leaders connected by networks allow for an ongoing process of accommodation and adaptation. These processes can produce ideas and solutions that are linked and compatible rather than remote and conflicting (Kotter 1998).

The *Public Sector Management Act 1994* gives the Minister of Public Sector Management power to act contrary to the recommendations of the Commissioner of Public Sector Standards and not reappoint a CEO (Office of the Public Sector Standards Commissioner 2000).

The Commissioner of Public Sector Standards has responsibility for CEO selection, reappointment and removal processes in Western Australia. When interviewed for this study the Commissioner was very critical of the selection process and its potentially destabilising influence on incumbent CEOs and their organisations.

CEOs also perceived that their possible implication in Government's political agenda could have a destabilising impact on their own careers and organisations. However, this was philosophically accepted, as a 'part of the job'.

Conclusions

- CEOs regard their leadership of cultural change as a critical part of their role and one for which they have primary responsibility.

- CEOs provided qualified acknowledgment of a number of factors that might influence how they approach cultural change in their organisations:

    - leadership and management theory – is useful when applied selectively to fit the context and needs of the organisation;

    - Government's policy agenda – has a differential impact across organisations but is of primary importance wherever it is actively implemented; and

    - peer interaction – is potentially significant but only moderately practised amongst CEOs.

- CEOs were highly critical of the CEO reappointment process and considered that it has a destabilising effect on incumbent CEOs and their organisations.

- CEOs philosophically accepted that political agendas might impact personally on their role and saw it as 'part of the job'. They perceived that it might be destabilising for their organisations.

7.6 The CEO Demographic and the Leadership of Cultural Change

The focus of this exploratory study was CEOs' perceptions of their role in leading cultural change in their organisations. There was no attempt to draw a direct, causal relationship between the demographic background of the CEO survey group and emerging concepts from responses to the study's four key questions. However, in the in-depth interview stage of the data collection, CEOs were canvassed about any causal relationships that they might perceive to exist between the demographic factors and the capacity of CEOs to lead cultural change in their organisations.

Table 7.2 integrates demographic data from the survey questionnaire with a representative selection of quotations from the survey questionnaire and in-depth interviews.

Table 7.3

Demographic Impacts on CEO Leadership of Cultural Change As Perceived By CEOs

Demographic Factors	CEOs' Quotations on the Relationships Between Demographic Factors and the Leadership of Cultural Change from the Survey Questionnaire and In-Depth Interviews	Demographic Profile of the Questionnaire Survey Group
length of public service	• *Nature of service rather than length of service determines usefulness* • *no effect* • *Obviously if you're steeped in a traditional way of doing things it is harder for you personally to adopt any new path. I can think of examples of long-standing public servants taking a direction with great vigour and keenness so I don't think you can make a generic statement.*	average length of CEO public sector employment is 18.6 years with 70% being employed for eleven years or more .
CEO leadership experience in a limited number of agencies	• *not significant – depends on the individual* • *diversity is a great asset, important to be exposed to a range of cultures* • *I guess there is an issue that if the CEO does have leadership experience in one agency and that agency hasn't had a lot of change. Then that may support the statement. However if they have only been in one agency or they have been in a small number that have had change then the theory holds out.*	85% of CEOs surveyed have been CEOs in 1 or 2 agencies only
being substantive or temporary in the CEO position	• *There is no doubt that being substantive and being five years out from reappointment give you a lot more credibility, a lot more strength, a lot more courage of your convictions than if you're temporary or about to be reappointed.*	87% of CEO surveyed were in substantive positions

156

Demographic Factors	CEOs' Quotations on the Relationships Between Demographic Factors and the Leadership of Cultural Change from the Survey Questionnaire and In-Depth Interviews	Demographic Profile of the Questionnaire Survey Group
	• *Everybody knows these days that people use acting as a 'try before you buy exercise'. I mean your good CEO's don't give a stuff if it is temporary or substantive. The ones who worry about it being temporary or substantive probably won't get the job.*	
leading a small or large agency	• *large agencies have more complexity* • *takes longer to turn the Queen Mary around* • *same principles apply [whether leading a large or small agency]* • *I think you get different dynamics, I can recall being able to introduce the Premier to everybody in the department by name and we're talking 100 persons - I could not do that because of the much larger agency so you do get the good dynamics.*	43% of CEO respondents were in charge of agencies with less than 100 staff
experience working only in the public sector	• *need good understanding of private sector e.g. CAMS [Contract and Management Services]* • *limited effect, two edged sword, unique qualities in the PS, but fresh ideas can be useful* • *PS harlots - shifted around government – issue of credibility*	65% of the CEO respondents had not worked in the private sector in a management level capacity
gender	• *over rated and stereotyped* • *not a lot of difference, good leaders are good leaders – can be a battle at the beginning for women – credibility – to cut through the stereotype women do things different - more inclusive* • *I think we've already said before female CEOs tend to network differently and perhaps manage crisis differently, they might be more collaborative I don't know, I haven't really got enough experience on the ground but most of the female CEOs that I came across are highly effective.*	85% of CEOs surveyed were male
age of the CEO	• *not significant* • *no, all other things being equal* • *I think in some organisations that a very young person might not in fact be able to command the respect instantaneously than someone who perhaps is just a little older who has a range of experiences that age brings. I don't think age at the other end of the spectrum is a major matter.* • *by virtue of no fuel left in the tank*	90% of the CEO respondents were between forty and fifty nine years of age. 50% of the group was over fifty years of age

The demographic profile of the CEO study group was quite uniform for most of the survey factors. Most of the CEOs were 'career' public servants with the average length of service being eighteen years. A vast majority of the CEOs

surveyed held substantive positions but had only served as CEOs in one or two agencies. 65% of the survey group had not worked in the private sector in a management capacity.

A vast majority of the survey group was also male and between the ages of forty and fifty-nine. 50% of the group was over fifty years of age.

CEO survey respondents lead a broad spectrum of agencies in terms of staff numbers. However 43% were in charge of agencies with less than one hundred staff.

In contrast to the uniformity of the survey group's demographic profile, CEOs' perceptions of the impacts of demographic factors on the leadership of cultural change were diverse and in some instances opposite. It is likely that both situational and personal factors ensure that the impact of demographic factors will be problematic. It is not possible, therefore, to make generalisations from the perceptions of the survey group regarding demographic factors and their relationship to CEO leadership of cultural change in the WA public sector.

Specific investigation of causal relationships between demographic factors and CEO leadership of change could be of great value in informing and directing workforce planning, leadership succession and executive development in the public sector.

Conclusions

- The demographic profile of the CEO survey group was quite uniform in relation to the factors surveyed.

- CEOs' perceptions of the impact of demographic factors on their ability to lead cultural change were disparate. This may reflect the complexity brought to such causal relationships by situational factors and CEOs' personal attributes and style.

7.7 Précis

This study has explored the topic of *The Role of Chief Executive Officers in Leading Cultural Change in Their Organisations*. As Western Australia enters the Centenary of Federation it is unlikely that the high rate of change that has been sustained in the public sector during the past twenty years, will diminish. Neither will the central role of CEOs in leading that change.

In summing up, Western Australian CEOs believe that the most important characteristics of leadership in the public sector organisations relate to setting direction and communicating vision. Personal attributes relating to ethical behaviour and the capacity to inspire and motivate are also considered to be important. The leadership characteristics identified by CEOs in the study are consistent with the theoretical construct of a *transformational leader.*

CEOs perceive that *organisational culture* relates to the values, attitudes and behaviours that influence the way an organisation goes about its business. *Cultural change* is described as the process of re-aligning organisational culture to complement organisational direction, community and Government expectations, efficiency and effectiveness.

An extensive range of transformational strategies is regarded as potentially effective and used by WA public sector CEOs. The potential effectiveness of some strategies was perceived to be dependent on the efficacy of underlying processes and the simultaneous application of related strategies.

WA public sector CEOs regard the leadership of cultural change in their organisations as a critical part of their role and one for which they have primary responsibility.

Management and leadership theory, Government's policy agenda and peer interaction were all identified as significant factors that could impact on a CEO's leadership of cultural change in their organisations.

CEOs were highly critical of the CEO reappointment process. They perceive that this process and their possible public implication in controversial policy agendas could have a destabilising effect on their organisations.

Perceptions of the possible impact of demographic factors on the CEOs' leadership of cultural change were disparate and did not reflect the uniform profile of the survey group. This difference might reflect situational factors and CEOs' personal attributes and style.

A number of matters that emerged from this exploratory study are worthy of further, specific investigation. These include:

- the extent of measurable cultural change resulting from the application of transformational strategies by CEOs;

- management team and staff perceptions of the CEOs' leadership of cultural change;

- the extent and characteristics of specific causal relationships between CEO, demographic factors and the leadership of cultural change;

- the antecedents and nature of 'courage' as an important CEO leadership characteristic in the WA public sector;

- the role and effectiveness of planning and staff development as cultural transformational strategies; and

- the CEO reappointment process, its effectiveness, fairness and application in the broader context of the *Public Sector Management Act 1994*.

CHAPTER EIGHT

# Implications of Research Findings

8.1   Introduction

The aim of exploratory research is to formally capture new concepts and issues that can provide a productive basis for theory development, reflection and further investigation of a topic and related topics. As detailed in Chapter Three (pp.56-58) and illustrated in the flow chart below, this chapter represents the final step in the exploratory research methodology. It discusses the implications that might flow from the findings and conclusions drawn from the research literature and field data.

A number of the concepts and issues identified in this study have possible implications for how CEOs lead cultural change in their organisations and for the administration of the Western Australian public sector in general. It is not possible to address all of these in this study but six matters that have immediate and actionable implications for the public sector will be considered. These are:

- Setting Directions For Cultural Change in the WA Public Sector Organisations
- CEO Capabilities and the Leadership of Cultural Change
- The CEO Reappointment Process and its Destabilising Effect
- Transformational Leadership – Who is Accountable?
- Transformational Leadership – Who is Responsible?
- CEOs and Demographic Impacts on Organisational Culture

Diagram 8.1

Implications of Research Findings
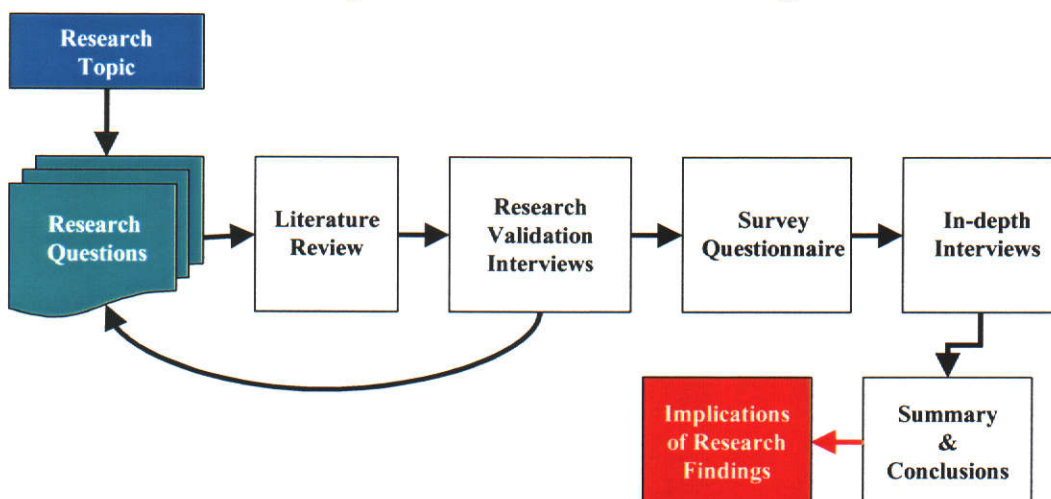
8.2 Setting Directions For Cultural Change in the WA Public Sector Organisations

It is clear from the relevant literature and the findings of this exploratory study that the leadership of cultural change is a critical aspect of organisational change and that public sector CEOs perceive that they have a primary role to play in the process. In the private sector CEOs, sometimes in consultation with their management boards and executive teams can determine the culture settings they desire for their organisations and implement any number of transformational strategies to achieve desired values and behaviours within the workforce.

In matters of staff management and leadership, WA public sector CEOs are generally not bound by any direction governed by the Minister responsible for the agency but instead are required to act independently. However CEOs are bound to comply with Government's regulatory frameworks, policies and guidelines. For example, the *Public Sector Management Act 1994* (Western Australia) ss. 7,8,9 & 30, and the *Code of Ethics* (Public Sector Standards Commission 1996) provide some guidance to CEOs on expected management principles, and values in the public sector.

The nature of this guidance, however, tends to be generic and compliance oriented. It does not empower CEOs to be innovative and risk taking in how they might shape the culture of their organisation to achieve outcomes for Government.

Table 8.1 below provides a sample of clauses from Acts[1] in all major Australian jurisdictions that, if actively embraced at the organisational level, would help mould organisational culture.

Table 8.1

Legislative Directions for Organisational Culture

Sample Clause	State Acts
Public sector agencies will aim to: • maintain structures, systems and processes that work without excessive formality and that can be adapted quickly to changing demands	*Public Sector Management Act 1995* (South Australia) s. 4(b)
Public sector employees must in the course of their employment: • act with integrity including avoiding real or apparent conflicts of interest	*Public Sector Management and Employment Act 1998* (Victoria) s.8(b)

---

[1] The New South Wales *Public Sector Management Act 1988*, does not contain general principles for public sector management.

Sample Clause	State Acts
Public service management is to be directed towards: • providing responsive, effective and efficient services to the community and Government	*Public Service Act 1996 (Queensland) s. 23(a)*
The public sector shall be administered with an objective of giving effect to the following principles: • the public sector shall be managed in accordance with principles of access and equity by giving all members of the public the opportunity to have a fair share of the resources which the territory manages on their behalf and an opportunity to gain access to the resources to which they are entitled	*Public Sector Management Act 1994 (Australian Capital Territory) s. 7(f)*
The principles of public administration and management to be observed in and in relation to the public sector are that: • the public service is to be administered in a manner which emphasises the importance of service to the community • the public sector is to be so structured and organised as to achieve and maintain operational responsiveness and flexibility, thus enabling it to adapt quickly and effectively to changes in government policies and priorities	*Public Sector Management Act 1994 (Western Australia) ss. 7(a), (b)*
The State Service Principles are as follows: • the State Service establishes workplace practices that encourage communication, consultation, cooperation and input from employees on matters that affect their work and workplace	*State Service Act 2000 (Tasmania) s. 7(1)(h)*
The APS Values are as follows: • the APS is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government	*Public Service Act 1999 (Commonwealth of Australia) s. 10(1)(n)*

The introduction of the *Workplace Agreements Act* in 1993 has also provided public sector employers with the capacity to directly negotiate employment conditions with their employees (Department of Productivity and Labour Relations 1998). The contractual agreements that have been developed since 1993, establish requirements in relation to performance in the workplace, conditions of employment, salaries, work and family, leave and allowances. The nature of such requirements and how management implements them has the potential to impact on organisational culture.

The 'organisation specific' nature of workplace agreements may also result in contrasting cultures between public sector organisations. There is also the potential

for staff within agencies, choosing not to signwork place agreements and remain on industry based awards, to form a sub cultural group separated from the rest of the organisation in terms of their conditions of service.

With the exception of the 1986 white paper *Managing Change in the Public Sector* (see Chapter Two p.16), there has been no initiative by a WA Government to establish an explicit position on the management of change in the public sector, or a vision for a reformed public sector culture.

While there are some general parameters enshrined in legislation, policies and guidelines to guide CEO leadership in terms of basic organisational values and behaviour, there has been no overarching leadership or direction from most recent Governments on their aspirations for the culture of the public sector[2]. It is only when these parameters are breached that CEOs get more specific messages, which are sometimes punitive, from Government about what are regarded as acceptable values and behaviours in the public sector.

Given the ongoing change in the public sector and CEOs' readiness to be engaged in the change process, it would be timely for the State Government to create and actively promote a vision for the way public sector organisations should 'go about their business' in the twenty-first century. This vision would provide leaders with a sense of shared direction in relation to contemporary determinants (Moore-Wilton 2000) of public sector organisational culture such as:

- communication and information revolutions;
- technology;
- commercialisation;
- customer focus; and
- public accountability.

One WA CEO concluded that Government's awareness of and responsiveness to the broad determinants of culture, is critical to the relevance of public sector organisations:

> I think what's happened is again; another change of government, major changes in the economic circumstances of Australia, major changes in the macro policy development, competition policy, FOI, all that sort of thing. Organisations have now started to realised that they've got to change to survive and part of that change is to change the culture - as one of the many things they've got to do in order to be a relevant organisations in today's political and social environment.

---

[2] Soon after the WA State election on 10 February 2001, the new Government announced an inquiry into the Machinery of Government. See Appendix 10, p.224 *Machinery of Government Taskforce Terms of Reference* (Ministry of Premier and Cabinet 2001b).

8.3 CEO Capabilities and the Leadership of Cultural Change

Contemporary organisational leadership theory promotes the view that optimal leadership approaches are not personality based or universally applicable. The most effective organisations are those where the approach adopted best meets the needs of the organisation and the business situation at hand (Farkas and Wetlaufer 1998).

Transformational leadership has been identified in this study as a leadership approach that is most likely to foster sustainable cultural change in new, developing or mature organisations where culture does not align with business direction, stakeholder expectations or efficiency and effectiveness.

Where then do aspiring CEOs or SES officers gain the capability to be successful transformational leaders? Schein (1992), Kotter (1996) and Rosen (1997) are strong advocates of the view that leaders of the future will be perpetual or lifelong learners. Transformational leadership skills are not viewed as inherent and restricted to a few at the top of an organisation but rather, something that people learn and develop as they make adjustments and manage in an increasingly complex and dynamic working environment.

According to Schein (1992, pp.374–392) our transformational leaders of the future will have to be perpetual learners who have:

- objective insight into organisational problems and culture and their personal strengths and weaknesses in situational leadership;
- the motivation and skill to 'unfreeze' the culture of their own organisation (this is particularly pertinent in the public sector where CEOs' employment tenure is limited and loyalty to the organisation or the Government of the day may be divided);
- emotional strength to manage their own and others' anxiety as learning and change become more a way of life;
- skills in bringing to the surface, analysing and changing the cultural assumptions of the organisational group(s);
- a willingness and ability to involve others and elicit their participation in change processes; and
- an ability to learn a new culture.

165

Some of these attributes may reflect the personal or social competency of a CEO or might be acquired through experiential learning on the job. There is also a strong expectation within the public sector that senior officers take a high level of proactive responsibility for their knowledge, skills or experience acquisition. The importance of training and development was recognised by CEOs in the study, as an effective strategy for changing organisational culture.

The Western Australian Government, through the Public Sector Management Division of the Ministry of Premier and Cabinet, has a responsibility for implementing or supporting a range of executive development programs (Ministry of Premier and Cabinet 2000). In an E-mail message dated 8 February 2001 F. Roche, a Director with the Ministry of Premier and Cabinet, explained that CEO and SES Competency Frameworks underpin development programs, with one or more competency units forming the basis of each program's objectives. For example, in the case of the Leadership Enhancement Program, the competency units of *Leading the agency* and *Initiating agency policy and strategic development* are integrated in the program's objectives and reflected in the design components.

The CEO Competency Framework (Ministry of Premier and Cabinet 1998c) consists of the following key units:

- Leading the agency
- Facilitating workforce effectiveness
- Resourcing the agency
- Initiating agency policy and strategic development
- Building and maintaining relationships
- Promoting and achieving quality outcomes

The leadership of cultural change is embedded in the element 'Promote an agency culture that is responsive to changing demands both internally and externally' that forms a part of the *Initiating agency policy and strategic development* competency unit.

The proposition arising from the study is that the management of change is a high priority for CEOs and sufficiently critical to public sector reform to warrant 'key unit' status within the CEO Competency Framework.

8.4 The CEO Reappointment Process and its Destabilising Effect

The near universal criticism of the CEO reappointment processes identified in this study needs further comment. The potential for the process to compromise the Commissioner for Public Sector Standards, and destabilise incumbent CEOs and their organisations should be a matter of concern to the Minister for Public Sector Management.

Criticism of the CEO reappointment process is not new. The 1996 Review of the *Public Sector Management Act 1994* (Fielding 1996, pp.81-83) was highly critical of the process:

> The reappointment process was roundly condemned by a large number of chief executive officers including the CEO Consultative Group as being destabilising not only for the chief executive officer but also for the relevant agency and its staff. A number of chief executive officers complain that during the period whilst the reappointment process was being carried out their capacity to manage the agency was somewhat inhibited because of the tenuous basis on which they continued to occupy the position. One chief executive officer considered himself constrained in the way in which he dealt with industrial action involving his work force for fear that the work force would challenge his authority knowing, as they did, that his job was being readvertised. In another case it was said that a chief executive officer made decisions coloured by the need to defend his job rather than advance the interests of the agency.

> ...The process, as many persons suggested, is cumbersome and not conducive to good human resource management. It was the virtually unanimous view of the chief executive officers, whom the process is presumably designed to protect, that the requirement to publish a notice that the chief executive officer was not to be reappointed without applications for the position being sought from other members of the public, was offensive if not 'ignominious'

> In my opinion the process should be abolished...

Concerns about the reappointment process that currently exist amongst CEOs and the Commissioner for Public Sector Standards (see Chapter Six) are likely to be further exacerbated now that CEO Executive Performance Agreements have been fully implemented. Under the current arrangements, untenable scenarios may arise, whereby counter to positive formal assessment of performance and advice from the Commissioner supporting their reappointment, the responsible Minister can recommend CEOs for removal from office. For the past eight years the Premier, as Minister for Public Sector Management and employer of CEOs, has been ultimately responsible for approving such determinations.

It is noticeable that in the 1999 review of the Executive Performance Agreement process, Government Ministers did not appear to be participants in the

consultation process with various interested parties (Roche 2001, personal E-mail, 8 Feb.). Given that Ministers are partners with CEOs in the Executive Performance Agreement process, the reason for this omission is hard to fathom. The issue reinforces the perception of CEOs that the Executive Performance Agreement process is purely compliance based. Its potential for supporting the professional development of CEOs and for enhancing a reciprocal working relationship with Ministers is largely untapped.

While the 1996 review of the *Public Sector Management Act 1994* did not result in amendments to the CEO selection and reappointment process it is important that a review of the Act (Ministry of Premier and Cabinet 2000), currently being undertaken by Government, addresses the issue.

8.5 Transformational Leadership – Who is Accountable?

While CEOs in Western Australia are accountable under the provisions of the *Public Sector Management Act 1994*, for providing leadership and setting directions for their organisations, there is no imperative for them to either nurture or change organisational culture. On the contrary there are several factors that might militate against a CEO taking on such a role.

The Impact of Limited Tenure

Changing the underlying assumptions of an organisation can take many years to achieve. Therefore, it may not be realistic for CEOs to embrace such a challenge. Given that the tenure of a CEO's original contract is limited to a maximum of five years it would be reasonable to assume that a CEO may not give a high priority to long term transformational strategies aimed at addressing deep seated beliefs, perceptions and feelings held by staff.

Transformational strategies that have a short term impact at the artifact or espoused values levels may be more attractive. This study has shown that secondary strategies such as those relating to formal statements and the arrangement of facilities and space have the potential to impact on organisational culture but cannot be sustained without the concurrent application of other strategies focused more directly on values and beliefs.

If CEOs are wary about committing to the 'long haul' cultural transformation of their organisations, they need to be equally wary about the extent of cultural

change that will come from such secondary strategies, especially if not supported by sustained behavioural modelling.

The Performance Focus

In Western Australia CEOs are primarily accountable for delivering outputs or services for Government. The Outputs Based Management (OBM) framework (Treasury Department WA 1996) ensures that organisational performance is focused on outputs measured in term of quantity, quality, timeliness and cost criteria. As the primary mechanism used by Government to determine how resources are allocated, the application of OBM also ensures a very strong management focus on the cost of outputs.

The OBM framework does not directly encourage CEOs to invest in the broader range of performance elements such as those promoted in the Australian Business Excellence Framework and other contemporary models of best management practice (Australian Quality Council 1999; Quinlivan 2000). In addition to the importance of performance focused on products and services (outputs) and business results, the Australian Business Excellence Framework promotes a holistic concept of organisational performance.

This is a concept based on a number of interdependent categories of management and improvement principles. For an organisation to achieve excellence it needs to be driven not only by technical improvement but shifts in values. and behaviours. Frameworks such as the Australian Business Excellence Framework provide leaders with a very tangible and measurable approach to developing their organisations in every sense. Active implementation of such an approach, it is argued, will provide a mechanism for achieving a desired and sustainable organisational culture of excellence.

Some public sector leaders in Western Australia have committed to management models such as the Australian Business Excellence Framework but there is little in terms of Government's OBM framework that would provide and incentive to do so.

At the personal level CEOs are required to have performance agreements that must be approved by the Ministry responsible for their organisation. These performance agreements (Ministry of Premier and Cabinet 1999d, p.1) aim to:

- Ensure that both Government and chief executive officers are clear about the goals to be achieved;

- Secure the commitment of chief executive officers to a set of actions that will secure Government policy goals; and

- Represent the Government's commitment to performance oriented relationships with its chief executive officers.

Executive performance agreements are based on an annual cycle and consist of three sections:

- Agency outcomes;

- Across agency outcomes; and

- The financial statement

In line with these sections, performance agreements typically detail business performance targets and improvement initiatives, a range of across government policy requirements and a resource agreement.

While the structure of performance agreements does not preclude cultural change initiatives, their focus on outcomes rather than processes and the short reporting cycle do not encourage the inclusion of strategies or actions with a long term cultural change focus. It would take significant altruism from both a CEO and a Government Minister to set explicit cultural change strategies within a performance agreement when such strategies might not deliver measurable outcomes for government within the life of the CEO's employment contract or the term of the Government.

In the study one CEO commented on the dilemma that exists in the public health sector when trying to establish a performance oriented culture to deliver health outcomes that may not become evident for many years:

All it boils down to is achieving outcomes set by the Government...

It takes 20 years to bring about behaviour change in the community. We have one of the lowest heart attack rates in the world in West Australia but it has taken Government 25 years to achieve this outcome. Outcomes often occur uniquely in a subsequent accounting period or they are spread over many accounting periods. How do you get your team fired up? What they are doing is going to have a benefit over the long term. One answer is to have a culture that is focused on community benefit over a long term.

8.6 Transformational Leadership – Who is Responsible?

As detailed in Chapter Six, CEOs regarded the leadership of cultural change as a highly individualised role for them. None of the CEOs in the study addressed the notion of the leadership of cultural change being a shared process. Neither did they

cite planned strategies involving team or group processes. This is somewhat surprising given that the concept of executive leadership teams has been widely embraced, at least at the structural level.

Proponents of the transformational leadership construct emphasise the important role of the CEO. They also argue, however, that the CEO cannot bring about required change without support (Trice & Beyer 1993; Yukl 1994; Kotter 1996; Hanna & Webb 1997; Kakabadse 1997; Joyce 2000). Kotter (1996, pp.51-52) argues that:

> No individual, even a monarch-like CEO, is ever able to develop the right vision, communicate it to large numbers of people, eliminate all the key obstacles, generate short-term wins, lead and manage dozens of change projects, and anchor new approaches deep in the organisation's culture. Weak committees are even worse. A strong guiding coalition is always needed – one with the right composition, level of trust, and shared objective. Building such a team is always an essential part of the early stages of any effort to restructure, re-engineer, or retool a set of strategies.

In general, CEOs appear not to actively engage others in the leadership of cultural change from either a strategy development or implementation perspective. Building a coalition or team to support cultural change does not presuppose the engagement of a single group for a single linear change process. It does however suggest an approach to change, whereby the CEO has a clear grasp of change as a process requiring planned support from a particular group or groups of supportive people.

Diagram 8.2 on page 173 integrates Kotter's (1996) attributes for a guiding coalition into a basic process of cultural change. This process illustrates where key people within an organisation can provide support for the development of cultural change.

The Guiding Coalition

Position power

In building a guiding coalition the CEO needs to look to the Board[3], peak stakeholder groups and people within the organisation whose position gives them the

---

[3] Corporate governance requirements for Boards vary. Advisory Boards are accountable for their contribution to the organisation's strategic direction through providing advice. Responsibility remains with the CEO who is supported by the Board. Governing Boards are accountable for the strategic direction, performance and compliance of the organisation. Governing Boards negotiate with the Minister and hold the CEO to account for the operational management and implementation of strategic direction for the organisation (Ministry of Premier and Cabinet 1999a).

power to leverage change with staff, customers and stakeholders, including Government Ministers. The CEO needs to be politically astute in selecting coalition members from the position power group. It is important that those not chosen do not feel marginalised in the change process and ignore or actively block strategy development and implementation.

Broad expertise

Broad expertise needs to be represented within the guiding coalition. The guiding coalition needs a balance of representatives with service expertise and support components such as financial, information technology and human resource systems. Expertise in change management is also essential.

High credibility

A key element within the coalition is credibility. Credibility within the coalition will help to establish the needed trust and goodwill amongst those who will be most impacted by the change. Credibility is often associated with peoples' breadth of experience, length of association with the organisation, expertise or ethical behaviour. When a CEO is new to an agency, an 'outsider' to the service area or has a controversial change agenda, it is critical that the credibility levels of the guiding coalition are high.

Leadership skills

All members of a guiding coalition need a proven capacity or potential for leadership. Proven leaders are needed in the coalition to drive the change process by focusing on a vision and direction and empowering others in the group and the organisation to contribute to and implement change strategies. Kotter (1996, p. 59) makes the point that guiding coalitions require a balance between management and leadership skills and that they must work in tandem. In successful organisations there is a natural tendency to focus on management skills that will 'keep the growing enterprise under control' rather than leadership skills that will drive the coalition to address future challenges.

In a large and complex public sector organisation with sub cultures there could be a hierarchy of guiding coalitions. Kotter (1996) says that the size of a coalition relates to the size of an organisation and the stage of the change process. It could range between six to fifty people.

<u>Collaborative, team-based approach</u>

Many CEOs who participated in this study made the observation that the potential for transformational strategies to be successful in delivering cultural change in an organisation depended on having had a strong element of collaboration in strategy development and implementation. For example, missions and strategic plans not grounded in broad based staff consultation or a team-based approach to their development, risked efficacy because of a lack of 'buy-in' and ownership from those people who will ultimately have to translate them into outcomes for the organisation.

Diagram 8.2

Creating A Guiding Coalition For Cultural Change

173
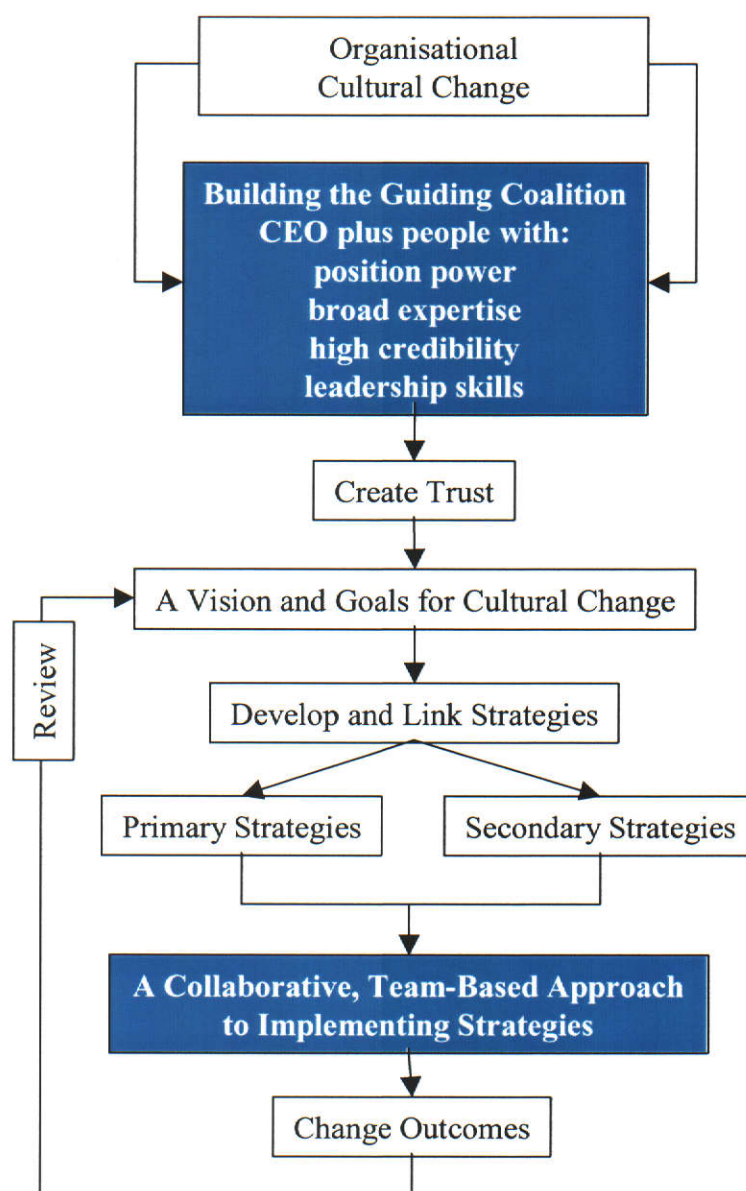
8.7 CEOs and Demographic Impacts on Organisational Culture

Western Australian CEOs do not see the aging profile of their cohort as necessarily impacting on their capacity to effectively lead cultural change in their organisations. The reality is however, that their cohort will soon move into retirement, leaving a senior management vacuum in the public sector.

A demographic analysis of 326 of the State's Senior Executive Service officers, including CEOs, reveals that 45% of the cohort are eligible to retire within the next five years. A further 33% will be eligible to retire within ten years – a massive 78% overall (Ministry of Premier and Cabinet 1999e).

The 'X Generation'[4] who will come along to fill the gap left by the retiring 'Baby Boomers'[5] does not necessarily share their values and traditions. Harman (2000, pp.4-5) describes a different type of 'X Generation bureaucrat'. This bureaucrat has been identified as a female because women account for 60% of the WA public sector workforce.

> Our young new public servant is a Generation Xer. She will have a university undergraduate degree and plans to study for post graduate qualifications part time, to boost her career prospects, probably an MBA. She has to compete for every position against a field of talented graduates and expects to compete hard for almost every promotion. She will consider lifetime learning and training a natural element of her career. Unlike her grandfather and father's generations, most of her training will occur off the job.

> She is computer and internet literate, extremely ambitious and willing to look outside the public sector for her career moves. She may in fact move in and out of the services at different times during her life time. Unlike her father and grandfather, she will most likely not be a union member and will have far less interest in politics than her elders. Not knowing any other environment, she will embrace change and flexibility in her workplace and career. She will work in a public service that, due to massive reduction in the intake of young workers, is rapidly aging. She won't necessarily find it an easy fit.

---

[4] 'X Generation' is a contemporary phrase used to describe the generation of people following the 'Baby Boomers'. They are those people born after about 1968 (Harman 2000).

[5] 'Baby Boomers' is a contemporary phrase used to describe the generation of people resulting from a dramatic rise in the post Second World War birth rate between the late 1940s and early 1960s (Mackay 1997; Harman 2000).

CEOs are faced with two vexing questions:

1. how are they going to address the gaps that are inevitably going to emerge in their senior management structure over the next five to ten years; and

2. how are they going to attract and retain a new generation of employees for whom the existing public sector culture is likely to be irrelevant?

In part, these issues relate to succession planning which is currently being addressed at the whole of government level in Western Australia by the Ministry of Premier and Cabinet.

It is also important, however, that CEOs start to address the issue of succession planning at the organisational level. There was no evidence from this study that CEOs are recognising the potential impacts of emerging public sector demographic trends on their organisational culture or consider that their role as a leader of cultural change might be impacted by such trends. A major United States case study (Sonnenfeld 1995) on how a CEO manages the process of succession, highlights the need for business heads to 'let go' of entrenched views on what is best for the organisation. The emerging point is that the participative review of organisational vision and culture should be a 'first step' in establishing a succession plan.

In a discussion paper with a metaphoric title *Passing the Torch,* the Ministry of Premier and Cabinet (1999e) identified culture, values and autonomy as the aspects of organisational life that are likely to determine the career choices of employees who are in demand. But what are the cultural aspects and the values that are likely to attract and nurture the next generation of leaders in the public sector? What cultural change strategies will CEOs need to adopt in order to pave a way for the next generation of leaders and also tenure the dignified transfer of knowledge and experience from an imminently retiring generation of career public servants?

8.8   Conclusions

Clearly, accountability and responsibility for leading cultural change in public sector organisations rests with the CEO. Western Australian CEOs are willing to accept this challenge but their efforts would benefit from a Government prepared to

develop and communicate a more substantial sense of vision and direction for the public sector.

Effective transformational leaders are not born, they need to acquire skills and experience and commit to lifelong learning. They also need to have access to relevant professional development opportunities that focus on the leadership of change as a stand-alone theme not just a strategy linked to a generic business administration program.

Somehow CEOs need to be provided with the incentive, the structures and the processes to address long term cultural change issues in their organisations. This will not be easy to achieve given the constraints of limited tenure contracts, an organisational performance regime based primarily on short term outputs and executive performance agreements that foster compliance and control.

These externalities aside, a CEO's likelihood of effectively leading cultural change will come from adopting an approach that encourages others associated with the organisation to become partners in leading the change process.

The demographics of the public sector workforce are changing in a profound way. Government systemically and CEOs specifically, need to start actively addressing the structural, human resource and cultural implications of a changing workforce mix if the sector is to be competitive in recruiting and retaining its next generation of leaders.

POSTSCRIPT

The completion of this study has coincided with the election of a new Government to office in Western Australia. While the new Government's program of public sector reform cannot form part of this body of research it is worth noting its platform in this regard.

The Labor Government has come into office with an unequivocal public sector reform agenda. Its policy (Australian Labor Party 2001) includes broad ideological and directional commitments including:

- rejecting of the ideology that the private sector is automatically better and more efficient than its public counterpart;

- rebuilding the pride and capacity of the public sector;

- restoring a purpose to government by setting a clear strategic direction and clearly communicating priorities; and

- establishing performance measures for government based on wider economic, social and environmental measures.

The new Government is also committed to specific initiatives aimed at restructuring the public sector. These include:

- no longer offering individual workplace agreements in the public sector;

- a significant reduction in the number of agencies and the creation of integrated super agencies;

- a reduction in the number of CEOs and senior executives;

- whole-of-government approaches to service delivery;

- clear lines of responsibility and accountability for policy outcomes;

- improved career paths and opportunities for public servants; and

- retention and maximisation of the intellectual property of the WA public service.

Whether the Government's policy platform translates into a new vision for the Western Australian public sector over the next four years will unfold with time.

However, the challenge for CEOs to review their organisation's culture, during this period of political reform and broader societal change, is very real. To repeat a CEO's quotation from the introduction to this study:

> Because if they don't [lead cultural change], the organisation will not in fact be able to achieve the outcome. Everybody has recognised that one way of achieving change is to focus on its cultural element and unless the CEO focuses on it and drives the change and sets the example, it won't happen.

Follow-up to this exploratory study in four years time might be of considerable interest.

REFERENCES

Ashworth, K. 1999, 'Honeymoon may be over for schools peacemaker', *West Australian*, 16 Nov., p.12.

Australian Labor Party. 2001, *Delivering a Better Government*, www.votelabor.org.

Australia, Parliament (Reith, P.). 1996, *Towards a Best Practice Australian Public Service: Discussion Paper*, AGPS, Canberra.

Australian Quality Council. 1999, *Australian Business Excellence Framework*, New South Wales.

Bakewell, R.D. 1976, 'The implications of the Coombs inquiry for state administration', *Australian Journal of Public Administration*, vol. 35, no.4, pp.328–339.

Blick, B. 1999, 'Ministerial responsibility in practice: A commentary', *Australian Journal of Public Administration*, vol. 58, no.1, pp.58-61.

Brannen, J. (ed.).1992, *Mixing Methods: Qualitative and Quantitative Research*, Ashgate Publishing Limited, Aldershot, England.

Brosnahan, J. 1999, 'Public sector reform requires leadership', paper presented to the OECD Symposium in Paris, 14-15 Sept.

Burns, A. 1998, 'Byron affair puts Court in bad light', *West Australian*, 13 Feb., p.14.

Caiden, G. 1977, 'Tackling bureaucratic inertia: Some personal reflections on the Royal Commission on Australian Government Administration', *Australian Quarterly*, March, pp.5-16.

Caiden, G. 1990, 'Australia's changing administrative ethos: An exploration', in *Dynamics in Australian Public Management: Selected Essays*, eds A. Kouzmin, & N. Scott, Macmillan, Melbourne, pp.29-49.

Cairnes, M. 1992, *Peaceful Chaos: The Art of Leadership in a Time of Rapid Change*, The Change Dynamic, Sydney.

Campbell, D. 1969, 'Reforms as experiments', *American Psychologist*, vol. 24, no.4, pp.409-429.

Campbell, D. & Fiske, D. 1959, 'Convergent and discriminant validation by the multitrait-multimethod matrix', *Psychological Bulletin*, vol. 56, no.2, pp.81-105.

Campbell, S. & Halligan, J. 1992, *Political Leadership in an Age of Constraint: The Australian Experience*, University of Pittsburgh Press, Pittsburgh.

Caruana, A., Ramaseshan, B. & Ewing, T. 1997, 'Market orientation and organisational commitment in the Australian public sector', *International Journal of Public Sector Management*, vol.10, no.4, pp.294-303.

Clark, C. & Corbett, D. 1999, *Reforming the Public Sector*, Allen & Unwin, NSW, Australia.

Coleman, D. 1998, *Working With Emotional Intelligence*, Bloomsbury, London.

Commission on Government in Western Australia. 1996, *Report No. 3*, Perth, April 1996.

Commission to Review Public Sector Finances. 1993, *Report of the Independent Commission to Review Public Sector Finances: Agenda for Reform (McCarrey Report)*, Government of Western Australia.

Coombs, H. 1976, *Royal Commission on Australian Government Administration*, Australian Government Publishing Service, Canberra.

Considine, M. & Painter, M. (eds) 1997, *Managerialism: The Great Debate*, Melbourne University Press, Melbourne, Victoria.

Court, R. 2000, *Premier's Circular to Ministers No 2/2000: Service Improvements Through Customer Focus*, Western Australia.

Curtin University of Technology. 1991, *Ethics Survey*, Curtin University of Technology, Perth, Western Australia.

Curtin University of Technology. 1998 *Higher Degrees by Research Doctoral Degree Regulations*, Curtin University of Technology, Perth, Western Australia.

Department of Productivity and Labour Relations. 1998, *Directions in Workplace Bargaining in the WA Public Sector*, Government of Western Australia.

Exworthy, M. & Halford, S. (eds) 1999, *Professionals and the New Managerialism in the Public Sector*, Open University Press, Buckingham, England.

Farkas, C & Wetlaufer, S. 1998, 'The ways chief executive officers lead', in *Harvard Business Review on Leadership*, ed Harvard Business School, Harvard Paperbacks, Boston.

Fielding, G.L. 1996, *Review of the Public Sector Management Act*, Government of Western Australia.

Goetz, J.P. & LeCompte, M.D. 1984, 'Ethnography and Qualitative Design in Educational Research', quoted in Merriam, S. 1988, *Case Study Research in Education: A Qualitative Approach*, Jossey-Bass, San Francisco, p.50.

Goodwin, L. & Goodwin, W. 1984, 'qualitative Vs. quantitative research or qualitative and quantitative research', *Nursing Research*, vol.33, no.6, pp.378–380.

Government of Western Australia. 1986, *Managing Change in the Public Sector: A Statement of the Government's Position*, Government of Western Australia.

Government of Western Australia. 1989, *Commission on Accountability*, Government of Western Australia.

Government of Western Australia. 1992, *Report of the Royal Commission Into Commercial Activities of Government and Other Matters*, Government of Western Australia.

Government of Western Australia. 1999, *1999 – 2000 Budget Statements*, Government of Western Australia.

Grove, J. 1998, 'Acting CEOs fill 18 public sector posts', *West Australian*, 12 January, p.10.

Grove, J. 1999, 'Public service in caretaker mode', *West Australian*, 2 June, pp.46-47.

Halligan, J., Mackintosh, I. & Watson, H. 1996, *The Australian Public Service: The View From the Top*, Coopers & Lybrand, Canberra.

Halligan, J. 1997, *Comparing Public Sector in the OECD: Performance and Progress*, APS Reform Speeches, Innovations Expo Conference, Canberra.

Hamilton, J. 1988, *Burkie: A Biography of Brian Burke*, St George Books, Perth, Western Australia.

Hanna, C. & Webb, J. 1997, 'Public sector response to an imperative for cultural transformation', *The Quality Magazine*, June, pp.62-65.

Harman, E. 2000, '*No, Minister*', speech presented to the Lonnie Awards Presentations, Perth, Western Australia, June 2000.

Harman, F.J. 1999, *Responses To The Recommendations Of The Commission On Government*, Notes for an address to the Institute of Public Administration, Perth, Western Australia.

Harvard Business Review (ed) 1998, *Harvard Business Review on Leadership*, Harvard Business Review Paperback, Boston.

Harvey, B. 2001, 'Matthews pledge over Asian gangs', *West Australian*, 21 February, p.6.

Hawker, G. 1977, 'The implementation of RCAGA: What happened to the Coombs Report', *Australian Quarterly*, March, pp.17-29.

Haynes, B. & Jones, H. 1999, 'Ethics and public sector management: the Western Australian experience', *Australian Journal of Public Administration*, vol.58, no.2, pp.70-82.

Hilmer, F. 1993, *National Competition Policy Review*, Commonwealth Government Printer, Canberra.

Hilmer, F. & Donaldson, L. 1996, *Management Redeemed*, Free Press, Sydney.

Hollier, M. & Peachment, A. 1990, 'The forgotten royal commission: public service reform in Western Australia', *Australian Journal of Public Administration*, vol.49, no.2, pp.192-194.

Hughes, R., Ginnett, C. & Curphy, G. 1996, *Leadership: Enhancing the Lessons of Experience*, Irwin, Chicago.

Jans, N. & Frazer-Jans, J. 1991, 'Organisational culture and organisational effectiveness', *Australian Journal of Public Administration*, vol.50, no.3, pp.333-346.

Johnston, J. 1999, 'Serving the public interest: The future of independent advice', *Canberra Bulletin of Public Administration*, no.91, pp.9–18.

Joyce, P. 2000, *Strategy in the Public Sector*, John Wiley & Sons, London.

Kakabadse, A. 1997, 'The leadership challenge for the Australian Public Service (APS): An internationally comparative benchmarking analysis', Report Prepared for the Public Service and Merit Promotion Commission, Canberra, 1997.

Keating, M. 1988a, 'Change and the challenge ahead', *Directions in Government*, July 1998.

Keating, M. 1988b, 'Managing change in the public sector', *Canberra Bulletin of Public Administration*, no.55, pp.59-63.

Kelly, D. 1997, *Public Sector Management Act Review Report*, Government Printer, Perth, Western Australia.

Kotter, J. 1996, *Leading Change*, Harvard Business School Press, Boston.

Kotter, J. 1998, 'What leaders really do', in *Harvard Business Review on Leadership*, ed. Harvard Business Review, Boston, pp.37-60.

Knafl, K., Pettingill, M., Bevis, M. & Kirchoff, K. 1988, 'Blending qualitative and quantitiative approaches to instrument development and data collection,' *Journal of Professional Nursing*, Jan. - Feb., pp.30-37.

Laponce, J.A. & Smoker, P. 1972, *Experimentation and Simulation in Political Science*, University of Toronto Press, Toronto.

Leedy, P. 1989, *Practical Research: Planning and Design*, MaCmillan, New York.

Mackay, H. 1997, *Generations: Baby Boomers and Their Parents and Their Children*, Macmillan, Sydney.

Markey, R. 1996, 'Paper urges action on public sector reform', *West Australian*, 26 Nov., p.33.

Martin, B. 2001, 'Guards flip forced on police chief', *West Australian*, 12 January, p.5.

McCullagh, G. 1991, 'Rationalising government: The Western Australian functional review committee', in *The Business of Government Western Australia 1983-1990*, ed. A. Peachment, Federation Press, Sydney, pp.116-128.

Meertens, G. 1996, 'Salaries chief pays out', *West Australian*, 7 Dec., pp.1 & 8.

Merriam, S. 1988, *Case Study Research in Education: A Qualitative Approach*, Jossey-Bass, San Francisco.

Micklethwait, J. & Wooldridge, A. 1996, *The Witch Doctors*, Heinemann, London.

Miles, M. & Huberman, A. 1994, *Qualitative Data Analysis*, Sage Publications, London.

Ministry of Premier and Cabinet. 1998, *Accountability in the Western Australian Public Sector*, Government Printer, Perth, Western Australia.

Ministry of Premier and Cabinet. 1998b, CEO list faxed to the researcher, 3 September.

Ministry of Premier and Cabinet. 1998c, *Chief Executive Officer Competency Framework*, Government Printer, Perth, Western Australia.

Ministry of Premier and Cabinet. 1999, *Profile of the Western Australian State Government Workforce*, Government of Western Australia.

Ministry of Premier and Cabinet. 1999a, *Corporate Governance Guidelines for Western Australian Public Sector CEOs*, Government of Western Australia.

Ministry of Premier and Cabinet. 1999b, *Fraud Prevention in the Western Australian Public Sector*, Government of Western Australia.

Ministry of Premier and Cabinet. 1999c, *Guidelines For Managing Risk in the Western Australian Public Sector*, Government of Western Australia.

Ministry of Premier and Cabinet. 1999d, *Chief Executive Officer Performance Agreement and Assessment Procedures 1999/2000*, Government of Western Australia.

Ministry of Premier and Cabinet. 1999e, *Passing the Torch: Managing Succession in the Western Australian Public Sector*, Government of Western Australia.

Ministry of Premier and Cabinet. 2000, *Annual Report*, Government of Western Australia.

Ministry of Premier and Cabinet. 2001, *A Snapshot in Time: A Profile of the Senior Executive Service*, http://www.wa.gov.au/psmo/ses.

Ministry of Premier and Cabinet. 2001a, *Senior Executive Service Vacancies*, http://www.mpc.wa.gov.au/psmd/pubs/wac/ses.

Ministry of Premier and Cabinet. 2001b, *Machinery of Government Taskforce Terms of Reference*, http://www.mpc.wa.gov.au/psmd/pubs/exec/machgovt/machgovt.html.

Mintzberg, H. 1994, *The Rise and Fall of Strategic Planning*, Prentice Hall, New York.

Moon, J. & Fletcher, C. 1988, 'New government and policy change in Western Australia: Did Mr Burke make a difference?' *Politics*, vol.23(1), pp.78-89.

Moon, J. 1999, 'The Australian public sector and new governance', *Australian Journal of Public Administration*, vol.58, no.2, pp.112–120.

Moore-Wilton, M. 2000, 'The way ahead: An outward-looking public service', *Canberra Bulletin of Public Administration*, no.98, December 2000, pp.8-12.

Nohria, M. & Berkley, J. 1998, 'Whatever happened to the take-charge manager?', in *Harvard Business Review on Leadership*, ed. Harvard Business School, Harvard Paperbacks, Boston.

Office of the Public Sector Standards Commission, 2000. *Chief Executive Officer Selection*, www.wa.gov.au/opscc/html/ceo_selection.

OECD. 1999, Synthesis of reform experiences in nine OECD countries: Change management, Paris Conference September, 1999.

Parker, R.S. 1976, 'The Coombs inquiry and the prospects for action', *Australian Journal of Public Administration*, vol.35, no.4, pp.311–319.

Parry, K. 1996, *Transformational Leadership*, Pitman Publishing, South Melbourne.

Patton, M. 1990, *Qualitative Evaluation and Research Methods*, Sage Publications, London.

Peachment, A. 1995, 'Ethical behaviour and senior public managers in Western Australia', in *Westminster Inc: A Survey of Three States in the 1980s*, ed. A Peachment, Federation Press, Sydney pp.110-148.

Peachment, A. 1998, Comparison of state and federal instruments intended to change the working relationship between ministers and senior officials: The case of Australia, paper presented to the International Association of Institutes of Administration Paris Conference, September, 1998.

Peacock, S. 2000, 'Sacked Dance's style too "private sector"', *West Australian*, 1 November, p.52.

Prasser, S. 1990, 'Reforming the public sector: Strategies for change', in *Dynamics in Australian Public Management: Selected Essays*, eds A. Kouzmin, & N. Scott, Macmillan, Melbourne, pp.185-197.

Prasser, S. 1997, 'Public management 1996: Once more unto the breach', *Australian Journal of Public Administration*, vol.56, no.1, pp.110-118.

Public Sector Management Office. 1996, *Chief Executive Officer: Performance Agreement Guidelines and Approved Procedures 1996/97*, Government Printer, Perth, Western Australia.

Public Sector Management Office. 1997a, 'Half a century of service', *Intersector*, vol.3, no.4, pp.3-4.

Public Sector Management Office. 1997b, 'Management award for zoo chief · executive', *Intersector*, vol.3, no.19, pp.1–2.

Public Sector Management Office. 1998, *Accountability in the Western Australian Public Sector*, Government Printer, Perth, Western Australia.

Public Sector Management Office. 1998, 'How do CEOs manage change', *Intersector*, vol.4, no.15, p.8.

Public Sector Standards Commission. 1996, *Western Australian Public Sector Code of Ethics*, Office of the Public Sector Standards Commissioner, Western Australia.

Quinlivan, D. 2000, 'Rescaling the balanced scorecard for local government', *Australian Journal of Public Administration*, vol.59, no.4, pp.36-41.

Reid, G.S. 1976, 'Responsibility and accountability and the Coombs inquiry', *Australian Journal of Public Administration*, vol.35, no.4, pp.320–327.

Richardson, B. 1995, 'A comprehensive approach to strategic management', *Management Learning*, vol.26, no.3, pp.275-298.

Roche, F. 2001, Personal E-mail, Ministry of Premier and Cabinet, Government of Western Australia, 8 Feb.

Roche, F. 2001a, Personal E-mail, Ministry of Premier and Cabinet, Government of Western Australia, 23 April.

Rosen, R. 1997, 'Learning to lead', in *The Organisation of the Future*, eds F. Hesselbein; M. Goldsmith & R. Beckhard, Jossey-Bass Publishers, San Francisco, pp.303-312.

Sarros, J. & Butchatsky, O. 1996, *Leadership*, Harper Business, Sydney.

Schein, E.H. 1992, *Organisational Culture and Leadership*, Jossey-Bass Publishers, San Francisco.

Schroder, P. 1997, ' The impact of the coalition Government on the public service: Was change inevitable?', *Australian Journal of Public Administration*, vol.56, no.2, pp.12-17.

Schultz, M. 1995, *On Studying Organisational Cultures*, Walter de Gruyter, Berlin.

Scott, R.D. 1994, 'The reform role of chief executive: Accountability, leadership and licence', *Australian Journal of Public Administration*, vol.53, no.4, pp.442-451.

Sinclair, A. 1989, 'Public sector culture: Managerialism or multiculturalism?', *Australian Journal of Public Administration*, vol.48, no.4, pp.382-395.

Sinclair, A. 1991, 'After excellence: Models of organisational culture for the public sector', *Australian Journal of Public Administration*, vol.50, no.3, pp.321-332.

Strauss, A. 1987, *Qualitative Analysis for Social Scientists*, Cambridge University Press, Cambridge.

Sonnenfeld, S. 1995, 'When the CEO can't let go', *Harvard Business Review*, September – October, pp.24–40.

Taskforce on Management Improvement. 1992, *The Australian Public Service Reformed: An Evaluation of a Decade of Management Reform*, AGPS, Canberra.

Thompson, E. & Tillotsen, G. 1999, 'Caught in the act: The smoking gun view of ministerial responsibility', *Australian Journal of Public Administration*, vol.58, no.1, pp.48-57.

Tingle, L. 1995, 'The fall of the mandarins', *Weekend Australian*, July 29-30, pp.21,23,31, July 31, p.10, August 1, p.17.

Treasury Department of Western Australia. 1996, *OBM Guidelines to Assist Agencies*, Government of Western Australia.

Trice, H. & Beyer, J. 1993, *The Cultures of Work Organisations*, Prentice Hall, NJ.

Trollope, D. & Heatley, A. 1994, 'CEOs, policies and public bodies', *Australian Journal of Public Administration*, vol.53, no.2, pp.212-221.

Uhr, J. 1986, 'Leadership and the chance of change', *Canberra Bulletin of Public Administration*, vol.13, no.4, pp.353-356.

Wanna, J., O'faircheallaigh, C. & Weller, P. 1992, *Public Sector Management in Australia*, Macmillan, Melbourne.

Ward, M. 1994, *Why Your Corporate Culture Change Isn't Working - And What To Do About It*, Gower Publishing Ltd, Hampshire.

Weller, P. 1999, 'Disentangling concepts of ministerial responsibility', *Australian Journal of Public Administration*, vol.58, no.1, pp.62 – 64.

Weller, P. & Wood, T. 1999, 'The department secretaries: A profile of a changing profession', *Australian Journal of Public Administration*, vol.58, no.2, pp.21-32.

Weller, P. & Rhodes, R. 2000, The changing mandarins: Responsive or politicised? International Association of Schools and Institutes of Administration Conference, Beijing, 10–13 July.

Weekend Australian, 17-18 February 2001, pp.1, 16, 20-22.

Weekend Australian, 10-11 March 2001, editorial.

West Australian, 4 February 1998, p.26.

West Australian, 12 November 1998, editorial.

West Australian, 17 May 1999, editorial.

West Australian, 16 November 1999, editorial.

West Australian, 5 October 2000, editorial.

West Australian, 29 January 2001, editorial.

West Australian, 19 February 2001, p.18.

Western Australia, 1904, *Parliamentary Debates*, vol. Xxv, p.546.

Western Australia, 1978, *Parliamentary Debates*, vols. 218-222, p.2473.

Western Australia Parliament. 1993, *Second Reading Speech: Public Sector Management Bill 1993*, Western Australia.

Whiteley, A. 1995, *Managing Change: A Core Values Approach*, Macmillan Education, South Australia.

Whyte, W.F. 1982, 'Interviewing in the field', in *Field Research: A Source Book & Field Manual*, ed R.G. Burgess, Allan & Unwin, London.

Yukl, G. 1994, *Leadership in Organisations*, Prentice Hall, NJ.

Zafarullah, H. 1991, 'Western Australia's turn-of-the-century royal commissions', *Australian Journal of Public Administration*, vol.50, no.1, pp.94–96.

Legislation

Australia Capital Territory, Parliament. 1994, *Public Sector Management Act 1994*, Government Printer, Australian Capital Territory.

Commonwealth of Australia, Parliament. 1999, *Public Service Act 1999*, Commonwealth Printer, Canberra.

New South Wales, Parliament. 1988, *Public Sector Management Act 1998*, NSW Government Information Service, New South Wales.

Queensland, Parliament. 1996, *Public Service Act 1996*, Government Printer, Queensland.

South Australia, Parliament. 1995, *Public Sector Management Act 1995*, Government Printer, South Australia.

Tasmania, Parliament. 2000, *State Service Act 2000*, Government Printer, Tasmania.

Victoria, Parliament. 1998, *Public Sector Management and Employment Act 1998*, TimeBase Pty Ltd, Victoria.

Western Australia, Parliament. 1978, *Public Service Act 1978*, Government Printer, Western Australia.

Western Australia, Parliament. 1994, *Public Sector Management Act 1994*, Government Printer, Western Australia.

APPENDIX 1

Cultural change in organisations. How do CEOs manage change? *Public Sector Management Office*, 1998, p.8

APPENDIX 2

Letter from Chairman, Chief Executive Officer Consultative Group

Note: For copyright reasons the full text of Appendix 2 has not been reproduced.

(Co-ordinator, ADT Project (Retrospective), Curtin University of Technology, 1.5.03)

APPENDIX 3

Letter from Commissioner for Public Sector Standards

196

APPENDIX 4

Standardised Research Validation Interviews

TERMINOLOGY AND CONCEPT - CONTEXT VALIDATION

Interview Number: _____

Work Title of Interviewee: _____

Senior Executive Service

Classification of Interviewee: _____

Interview Date: _____

Time: _____

Interview Preamble

This interview is a preliminary part of doctoral research which explores the role of chief executive officers in leading cultural change in Western Australian public sector organisations.

As the focus of this investigation is relatively new in Western Australia, it is important to determine if the key terminology and concepts to be used, when collecting data from chief executive officers, are understood and perceived to be relevant in the context of this State's public service.

Your views and comments on any public sector 'nuances' which might be relevant to the successful implementation of the study would also be appreciated.

You have been chosen at random from the cohort of Senior Executive Service members in Western Australia. Current chief executives are not being interviewed at this stage, as they will be a part of the primary research sample.

All responses to this interview are absolutely confidential and any record will be destroyed when the analysis is complete.

Any results will be presented in an anonymous or statistical form.

With your permission, I would like to tape record the interview to ensure that I don't miss any important points.

Do you have any queries before we commence?

<u>**Question 1.**</u>

This research relates to the role of chief executive officers in leading cultural change in public sector organisations.

Part A.

'Leadership' is a much used imperative in relation to the role of chief executive officers today - how would you describe its characteristics?

_____

_____

_____

_____

_____

_____

_____

_____

The space below has been left blank for unstructured interview notes and post interview/audio tape observations.

Part B.

In an organisational context, can you explain to me what you understand by the terms 'culture' and 'cultural change'?

_____

_____

_____

_____

_____

_____

_____

_____

The space below has been left blank for unstructured interview notes and post interview/audio tape observations.

Question 2.

Transformational leadership is a term used widely in studies today to describe how leaders might position their organisations to be successful in the context of a rapidly changing operating environment.

What do you think might be meant by a 'transformational strategy' as it relates to cultural change?

_____

_____

_____

_____

_____

_____

The space below has been left blank for unstructured interview notes and post interview/audio tape observations.

Question 3.

Transformational strategies can be generally categorised as either:

Primary (the physical, observable actions of leaders)

or

Secondary (mainly organisational processes)

*Look at the strategies on the **attached sheet** and explain to me what you think they mean. Provide an example too where possible.*

Primary Transformational Strategies

Strategy	Meaning and Example - Notes
a) what the leader attends to	
b) how the leader reacts in a crisis and to success and failure	
c) observed criteria for allocating rewards	
d) how leaders select, promote and remove staff	
e) role modelling	

Secondary Transformational Strategies

Strategy	Meaning and Example Notes
a) design of organisational structure	
b) organisational systems and procedures	
c) facilities and physical space	
d) formal statements about 'our role and the way we do things around here'	
e) stories, rituals and legends	

<u>**Question 4.**</u>

In studying the role of chief executive officers in leading cultural change in Western Australian P.S. organisations are there any advice, issues or research method aspects that you believe need to be considered in the study?

_____

_____

_____

_____

_____

_____

_____

_____

The space below has been left blank for unstructured interview notes and post interview/audio tape observations.

.

That's all. Many thanks for your cooperation.

Would you like a copy of my interview summary?

Standardised Research Validation Interviews

TERMINOLOGY AND CONCEPT - CONTEXT VALIDATION

Field Data: Collation, Preliminary Clustering and Coding

Question 1a

'Leadership' is a much used imperative in relation to the role of chief executive officers today - how would you describe its characteristics?

Wallis

- communicate well, e.g. communicate the Mission [M] very well externally, including articulating very clearly how that 'fits-in' [A] with other agencies.

- they can do it in a way that doesn't look like grandstanding or territorialism - this is to do with how the message is delivered [I]

- have a broad skills base, this is reflected in an ability to come to grips with the position of an agency[A] and the issues it deals with, and respond very quickly [C].

Ftiz

- where it (the organisation) [M] is heading - without getting into the 'nuts and bolts'
- sense that it is moving forward [M]
- inspire staff and bring out the best in people [I]
- assist through difficult times/problems [I]
- making sure the organisation has the capacity [C] (resources/policies/procedures/processes) to meet the mission and objectives
- monitoring performance - how is the organisation travelling

Addenda

- The above leadership attributes relate to CEOs. The focus of leadership is more specific lower down the leadership line.

HamB
- Leadership determines how people are going to work together.
- Members of the executive must play an important role in leadership.
- Leadership is about 'bringing staff along'. [I]
- Leadership is fundamental today as government is more complex and there is a concern to focus on core business only. Understanding mixtures of business and overlaps is important. [A]
  Addenda
- There is only one CEO in an organisation and they must play an important leadership role.
- Creating the vision [M] and aligning [A] the organisation.

HamP
- capacity to establish a shared vision or sense of purpose **[M]** - a powerful communicator

- be strategic in positioning [A] the organisation particularly in relation to the external environment - see where things are going and where the agency needs to move in order to achieve its purpose

- to be good at working in a political context to secure resources [C] and making sure political issues are negotiated well with the politicians [A] and with the broader community - providing protection and cover for the organisation

- the CEO be someone who engages in symbolic acts - modelling and sending clear messages [I] about what I stand for and where we are going - these symbolic acts are particularly important for CEOs

Addenda
- Interviewee perspectives were from the point of view of what characteristics he would like to see in the CEO rather from a theoretical perspective.

Roche
- ability to 'champion a cause' and bring people along with you to get there [I]

- making it clear as to the reason for change **[M]**

- engendering a commitment to change **[I]**

- working with them (staff) to deliver on it **[C]**

- leadership needs to be shared amongst the Executive group – it is important to have others 'fighting the cause'

Addenda
- characteristics of leadership apply further down the line, but the organisation does really suffer without CEO leadership and direction

General Comments
1. What they would like to see in a CEO and what represented 'good' leadership characteristics - not a theoretical perspective
2. leadership is not just the domain of the CEO (it needs to be shared) but there are attributes that specifically relate to them

Key

[M]	mission/purpose/vision
[C]	capacity
[I]	inspiration/motivation
[A]	alignment

Question 3

Primary transformational strategies

c) observed criteria for allocating rewards **Transparency and consistency = fairness?** **Using reward systems to communicate orgasnisational values**	• whether there is a transparency about how the CEO rewards people [D] • are there established criteria - is there consistency [D] • don't dwell on the negatives, focus on the positives. • recognition is vital. Quoted the 'One Minute Managers'. • if people see that the focus of a reward systems is on staff contributions to the organisation rather than individual merit they might then perceive reward allocation as having a broader organisational or team orientation [E] • some sense of fairness and consistency in rewarding staff and whether rewards are intrinsic or extrinsic [E] • whether people under leadership can determine 'what makes the leader tick' and how they should act accordingly • openness is quite crucial • providing encouragement even when things are not successful - encouraging people despite a failure that lifts the esprit de corps and keeps people on track [E] • used to reinforce a staff member's contribution to positioning of the Department externally

Key

Supporting quotes

[D]   definition
[E]   example

206

Western Australian Public Sector

ORGANISATIONAL CULTURE

THE LEADERSHIP OF CHANGE BY

CHIEF EXECUTIVE OFFICERS
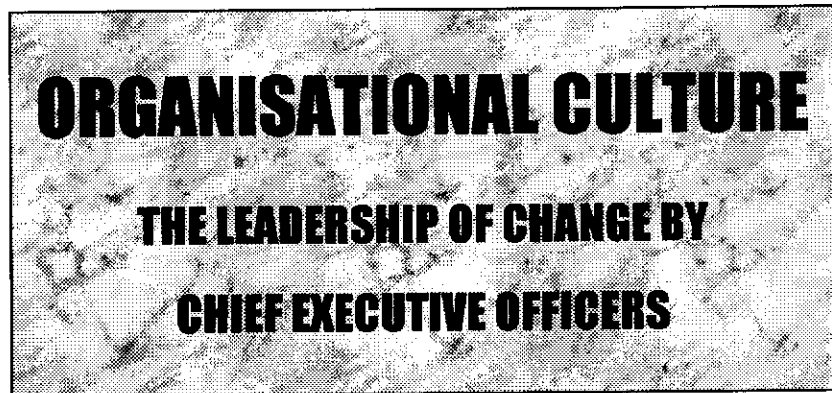
A Survey of Chief Executives Officers

TO BE COMPLETED BY THE CEO OR THE PERSON ACTING IN THE POSITION OF CEO

Please return survey in the attached stamp addressed envelope by:

FRIDAY 21ST
AUGUST 1998

CURtin
University of Technology
Perth Western Australia

CULTURAL CHANGE
SURVEY QUESTIONNAIRE

PLEASE NOTE

Your personal identity is not required for the purpose of this study. All the information you provide will remain strictly confidential and your anonymity is assured. At the completion of the research all returned questionnaires will be shredded under the personal supervision of the researcher.

Estimated time for completion approximately 20 minutes   RECORD No. ☐ ☐ ☐   Col. No.   [1-3]

1. What do you believe are the most important characteristics of chief executive officer leadership in the public sector? Please enter your response below.   [4]

   _____

   _____

   _____

   _____

   _____

2. In a public sector organisational context, what is your understanding of the terms:

   'culture'   [5]

   _____

   _____

   _____

   _____

   and

   'cultural change'   [6]

   _____

   _____

   _____

   _____

Please note that we are interested in your understanding of the terms as they apply in the workplace; we are not interested in theoretical or broader societal perspectives.

208

Transformational strategies are used by CEOs to substantially change some aspects of the status quo in their organisations. In relationship to cultural change, such strategies broadly relate to either the observable actions of the CEO (**Primary Strategies**) or organisational processes and structures (**Secondary Strategies**).

3. Please examine each of the broad, transformational strategies described below. Please rate each in terms of their potential effectiveness as a means of bringing about cultural change in a public sector organisation.

* **Please indicate your rating by circling one number on each line**

	NOT AT ALL EFFECTIVE ①			HIGHLY EFFECTIVE ④	
PRIMARY STRATEGIES					
■ What the CEO systematically pays attention to on a regular basis	1	2	3	4	[7]
■ How the CEO reacts in a crisis	1	2	3	4	[8]
■ How the CEO reacts to success and failure	1	2	3	4	[9]
■ Observable criteria used by the CEO for allocating rewards	1	2	3	4	[10]
■ How the CEO selects, promotes and removes staff	1	2	3	4	[11]
■ Role modelling by the CEO	1	2	3	4	[12]
SECONDARY STRATEGIES					
■ The design of organisational structures	1	2	3	4	[13]
■ Organisational processes and procedures	1	2	3	4	[14]
■ Facilities and physical space	1	2	3	4	[15]
■ Formal statements about 'our role and the way we do things around here'	1	2	3	4	[16]
■ Stories rituals and legends	1	2	3	4	[17]

4. Have you ever used any of the following transformational strategies as a means of bringing about cultural change in a public sector agency? If so please provide a specific example of what you did.

* Please indicate your rating by circling one umber on each line

SPECIFIC EXAMPLE

PRIMARY STRATEGIES	YES ①	NO ②		
■ What the CEO systematically pays attention to on a regular basis	1	2		[18]
■ How the CEO reacts in a crisis	1	2		[19]
■ How the CEO reacts to success and failure	1	2		[20]
■ Observable criteria used by the CEO for allocating rewards	1	2		[21]
■ How the CEO selects, promotes and removes staff	1	2		[22]
■ Role modelling by the CEO	1	2		[23]

SECONDARY STRATEGIES	YES ①	NO ②		
■ The design of organisational structures	1	2		[24]
■ Organisational processes and procedures	1	2		[25]
■ Facilities and physical space	1	2		[26]
■ Formal statements about 'our role and the way we do things around here'	1	2		[27]
■ Stories rituals and legends	1	2		[28]

5. Are there any Primary or Secondary Strategies, used as a means of bringing about cultural change by the CEO, that have not been identified in the lists above? Please enter your response below.   [29]

_____

_____

_____

6. To what extent do you regard the leadership of cultural change in public sector organisations as an important rol [30
   for the CEO? Please explain your response.

   _____

   _____

   _____

   _____

   _____

7. How important do you believe the following factors have been in influencing the approach of CEOs, in Western
   Australia, to cultural change within their organisations?

   * Please indicate your rating by circling one number on each line

	NOT AT ALL IMPORTANT ①			CRITICALLY IMPORTANT ④	
■ **Regulatory Factors** (e.g. Provisions in Government Acts, regulations, central agency guidelines)	1	2	3	4	[31]
■ **High Level Reports** (e.g. Commission on Government "COG" Report, Auditor General Reports etc)	1	2	3	4	[32]
■ **Government's Policy Agenda** (Related to whole-of-Government or more specific agency outcomes)	1	2	3	4	[33]
■ **Contemporary Management and/or Leadership Theory** (Theoretical, consultant models or principles for best business, management or leadership practice)	1	2	3	4	[34]

8. Are there any other factors that you consider important in influencing the approach of CEOs, in Western   [35]
   Australia, to cultural change within their organisations?

   _____

   _____

   _____

Personal Background

9. How long have you worked in the W.A public sector? (to the nearest year) _____years   [36]

10. During this time, in how many public sector agencies have you been the CEO?_____   [37]

11. Is your current CEO position substantive ☐ or acting ☐. Answer with a ☒   [38]

211

12. Please indicate your current level within the W.A. public sector: (circle one number only)   [39]

Level 9	1
C1 – C2	2
C3 – C4	3
S1 – S4	4
S5 – S8	5

13. Please indicate the type of agency you work in: [40]

Central Agency	1
Line Agency	2
Statutory Body	3
Other	4

14. Approximately how many employees are there in your   [41]
Agency? (actual not FTE)

50 or fewer	1
51 – 100	2
101 –500	3
501 – 1000	4
1001 – 5000	5
5001 or more	6

15. Have you worked within the private sector   [42]
at a mid level or more senior capacity?

Yes	1
No	2

16. What is your gender?   [43]

Male	1
Female	2

17. What is your age?   [44]

35 years and under	1
36-39	2
40-49	3
50-59	4
60 years and over	5

END OF THE SURVEY
THANK YOU FOR YOUR COOPERATION
Please return in the stamp addressed envelope provided.

Would You Like a Summary of the Survey Results?
Name:..
Address: ....

Fax

To:	«Title» «Name» «Surname»	**From:**	Garrick Stanley
	«Function»		
Agency:	«AgName»	**Pages:**	One only
Fax:	«Fax»	**Date:**	1/11/2001

Re: **A Survey of WA Public Sector Chief Executive Officers**

☑ **Attention:** **The Executive Assistant / Personal Secretary**

Comments:

Within the next week a survey questionnaire will reach your office. This survey is unique and important. It focuses on how WA public sector CEOs lead change in their agencies. The information sought is part of doctoral research and will also be presented to the CEOs Consultative Committee and made available directly to CEOs on request.

Your cooperation in ensuring that the CEO or the person who might be acting in that position, completes the survey and returns it by Friday 21 August, would be most appreciated. ·

If you have any queries, please contact me on Ph: 9264 1249 (wk) or Fax: 9264 1269.

Thank you

Garrick Stanley

APPENDIX 8

Semi - Structured Interview Schedule

CHIEF EXECUTIVE OFFICERS LEADING CULTURAL CHANGE IN WA PUBLIC SECTOR ORGANISATIONS

Interview Number:

Interview Date:

Time:

Interview Preamble

This interview represents the final part of doctoral field research that explores the role of CEOs in leading cultural change in Western Australian, public sector organisations.

The questions relate to concepts, issues and demographic findings that have come from the analysis of a questionnaire survey distributed to all WA, public sector CEOs in August 1998.

I am seeking your response to these findings in order to add a broader and deeper level of understanding of the concepts that are emerging in relation to the topic.

You have been specifically selected as one of 10 CEOs to be interviewed, based on criteria which will provide a general cross section of the total group.

All responses to this interview are absolutely confidential and results will be presented, in an anonymous or statistical form.

With your permission, I would like to tape record the interview to ensure that I don't miss any important points.

To assist with the interview, I will give you a copy of some of the more complex questions.

Do you have any queries before we commence?

Question 1.	Notes
Why are the following leadership characteristics and personal attributes important to CEOs in the Western Australian public sector today? ♦ setting and communicating vision ♦ honesty and integrity ♦ capacity to inspire and motivate ♦ ethical behaviour ♦ courage	

Question 2.	Notes
CEOs seem to perceive cultural change in relation to the alignment of agency values and behaviours to the following factors. Why do you think these alignments are so important? ♦ mission, corporate direction and outcomes ♦ community/Government expectations or to: ♦ improving efficiency and effectiveness	

Question 3.	Notes
In your experience is cultural change in the public sector a significant issue for CEOs today? Has it always been so? If not why?	

Question 4.	Notes

The following strategies have been identified as the most effective to bring about cultural change by CEOs - why do you think they are the most effective?
 	
♦ **Primary Strategies**
   ♦ role modelling
   ♦ what the CEO systematically pays attention to on a regular basis
♦ **Secondary Strategies**
♦ organisational processes and procedures
♦ the design of organisational structures	

Question 5.	Notes
How would you explain the following inconsistencies in how CEOs view cultural change strategies? ♦ *'formal statements about our role and the way we do things around here'* was regarded by 40% of CEOs as a potentially ineffectual strategy **but** still used by 78% to bring about change ♦ *facilities and space'* was regarded by 51% of CEOs as a potentially ineffectual strategy **but** still used by 69% to bring about change	

Question 6.	Notes
Planning and staff development are identified as two other strategies that are used to bring about cultural change by CEOs. To what extent do you think these strategies could be used to support cultural change in an organisation?	

Question 7.	Notes
CEOs describe the leadership of cultural change as a **crucial** part of their role. Why do you think this is so?	

Question 8.	Notes
Management/leadership theory and Government's policy agenda were considered important factors that might influence a CEO's approach to cultural change. Why do you think this is so? Can you provide any examples?	•

Question 9.	Notes
Peers were also identified as an influential factor. To what extent does CEO peer interaction at a professional level take place in the public sector?	

Question 10.	Notes
The CEO selection process was also identified as an influential factor. What is your reaction to the following comments from CEOs: ♦ *'The CEO's position being advertised after their employment contract expires regardless of performance. This causes uncertainty for an organisation'* ♦ *'[CEO] confidence in their ability to keep their jobs if after restructuring the political agenda uses the CEO as the scapegoat'*	

Question 11.	Notes
What impact, if any, might the following factors have on the CEO's leadership of cultural change in an organisation and why? ♦ length of public service ♦ CEO leadership experience in a limited number of agencies ♦ being substantive or temporary in the CEO position ♦ leading a small (number of staff) or a large agency ♦ experience working only in the public sector ♦ gender ♦ age of the CEO	

Thank you for participating in this interview

218

Data Collection & Analysis –In-depth CEO Interviews

[Source - Interview Notes and Verbatim Transcripts]

Interview Number: 8

Date: 21/4/99   **Themes: bold,** *Italics: transcript quotations*

Focus for In-depth Interviews	Findings From Interviews
1. Why are these leadership characteristics and personal attributes important?	
♦ setting, directing and communicating vision	– need to know where we are going – what is the vision - **express confidently** – *I like to encourage people where the absence of vision, **they can se** **their own vision** but nevertheless I think as leaders and CEOs we really need to be able to express the vision confidently, if you don't we all go round in circles. So I think that is important.*
♦ honesty and integrity	– dilemma of not being able to stand for this – **modelling behaviour** – *interesting questions and I just spent the last three quarters of an hour discussing issues around that and the dilemmas that come from being prepared to stand for ethical and honest behaviour. If we don't we certainly can't expect anyone else in the organisation to own that it's modelling behaviour and being seen to model behaviour that's really important so I think that's important.*
♦ inspire and motivate	– **"driving the train" – inspire people to get on board** – *...to me I often talk about the train and if I'm driving the train I can' inspire and motivate people to get on that train and come with me there are always going to be people left at the station.* – *It's absolutely vital and I think we get a bit frightened by talking about it, inspiring people, motivating people and being charismatic. I don't believe you have to be charismatic, people will come with you if you're genuine, if you're honest, if you are fair and all of those sorts of things, you don't have to be a charismatic, a 'Jones Town' leader.*
♦ ethical behaviour	– **as for honesty and integrity**
♦ courage	– desperately needed – [to deal with] **unacceptable behaviour** – *courage of course, is one of the things that's absolutely needed is the capacity to make courageous decisions, not shirk away from things at the top. Everyday we are faced with tough decisions and that if we don't we allow unacceptable practices and behaviours to be ongoing and we need to have the courage to step in and confront those and to deal with our own feelings of fears.*
2. CEOs seem to perceive cultural change in relation to the alignment of agency values and behaviours to these factors. Comments	
♦ mission, corporate direction and outcomes	– **difficult to sustain change if the mission and direction is not clear** – *I think it's very difficult to sustain change if issues like mission and direction are not clear and I think that sort of gets back again to vision and direction there that we are talking about cultural change and doing things differently and to actually want to sustain that we need to have that corporate direction and mission and outcomes that are clear in everybody's mind.*

◆ community/Government expectations	–	need to be clear – **understanding environment**
	–	*that [mission, corporate direction] can't be clear in everybody's mind unless we are also clear on the community's and Government's expectations so it's looking at that sort of environmental stand and saying if our mission, that's a bit like marketing you know, if we are saying we are going to market something but it's not what the public want so we are going to have a very big miss.*
◆ improving efficiency and effectiveness	–	***"ever reducing treadmill"*** – repeating negative behaviour is unacceptable
	–	*we are on an ever reducing treadmill. It's just getting more difficult and the stress attached to that it's huge and I think having people around doing the same thing that they did 20 years ago. It's just no longer acceptable and that's single loop and double loop in that perspective having people just to repeat ineffective behaviour is no longer acceptable. I mean you have to be committed to a learning environment and improving efficiency and effectiveness all the way that we can and that takes courage and comes back to, you know, leaders being able to address and deal with it.*

3. Is cultural change in the public sector a significant issue today. Has it always been so? If not why?

	–	**huge issue** – lot of rhetoric but doesn't follow through
	–	senior positions need to model behaviour
	–	*I think there are people who, as I said, talk about it and write about t but I don't think they have actually really acted out.*
	–	*one other thing too, if you get people in senior positions actuall) modelling the behaviour but how are you going to get people in senio executive positions modelling a behaviour that the people that they are working for in some instances provide the most extreme examples tha you could have imagined. And not only that, sometimes those people reward people who are more like them.*

4. The most effective ways to bring about cultural change by CEOs are:

◆ **Primary** ◆ role modelling	–	**absolutely critical** – must live it [the role]
	–	must be seen to acknowledge support and celebrate with staff
	–	valuing
	–	*I just see as absolutely critical that role modelling takes place and not only that, but if I apply it to myself that I don't act it, I* **actually live it** *that I fully embrace it and it becomes a way of life for me. This is the way I do business, what's important to me and the way that I do around here and the other part of that is that I must be seen to acknowledge, support and celebrate, evidence is that in my workplace.*
◆ what the CEO systematically pays attention to on a regular basis	–	*Then quite sometimes I would think how can I shift this behaviour because if it's really so entrenched and the decision I took was to actually become a member of that project team, not leave the project team but sit alongside the leader and mentor and for a period of about 12 months*
	–	*....I would sit like Gimminey Cricket on their shoulder and whisper something in their ear, not so that it was obvious to everybody but then we would spend a year or write something down if that worked but could you have done it differently, is there any other way you could have done that and watch it, let's do it this way next time instead of that constant process.*
◆ **Secondary** ◆ organisational processes and procedures	–	**structure, systems and relationships are critical**
◆ the design of organisational structures		[no recorded comment]

220

5.	Why the inconsistencies between potential and actual effectiveness?	
	♦ formal statements	– **it is inherent for everyone to want a direction** – **behaviour has to match** – *.. the fact is in organisations you can, so much diverse opinion abou what's right and who's right where the mission NO.1 or 50 or along th way which is the right one, and at the end of the day you can put in ar comment and what you would like at the foot of the organisation b what it gets back to is that nothing will make a difference to behaviou that would match it. So the mission that regardless, it does not matte what our mission is because it's often developed for a number o reasons. What we really need to do is to model the behaviour, develo the behaviour and often so we do acquire those things to make it wor but I think that's where the gap is for me.*
	♦ facilities and space	– **symbolic things – 'ritual funeral'** – taking on new things – *they say when you're looking at making change that everything we do very important, specially with symbolic things.*
6.	Planning and staff development are identified as two other strategies that are used to bring about cultural change by CEOs. Your comment?	
	♦ planning	[no recorded comment]
	♦ staff development	– very useful but not just old 'training trick' – 90% training wasted – rig sort of development process e.g. action/learning program – *..I actually put in place a learning program and it was controversial but think it was very significant in the way that it actually got people read to take on the training.* **If the grounds are turned over and ready,** the just can't take in that new information and actually use it very well. S I think it's very important not to just simply whack people into trainin courses is an actual waste of time.
7.	Why do CEOs regard the leadership of cultural change as a crucial role?	
		– takes up the largest part [of the job] CEOs today **have inherited poor management/leadership** – redeployment, employment insecurity – **different needs for CEOs** – *probably it takes up the largest part, most of us that come from th public sector where poor management and leadership and that we have usually a whole organisation full of people who have not been involvea in an organisation that have got some of those skills. So, and because of the dynamic that you're living and changes that are taking place faster that we can deal with them, retrenchments, downsizing, redeployment, redundancies, you name it just goes on and on, whereas once we were part of a workforce where senior positions were based on seniority and ongoing employment were a matter of course and that's no longer the case.* – our employment is not secure, many of us are on contracts, the 'baby boomers' are moving on and generation 'x' is coming along behind it, different wants and needs, generation 'y' is just on their heels, they are going to be totally different again, I mean it's like there's a phenomenal and ambiguity and all the rest of it.

221

8.	Why do CEOs consider these factors so important? Examples?	
	♦ management/leadership theory	– there are **tensions between management theory and th** **Governments agenda** – impacting on the capacity for cultural change
		– *I don't know if I fully understand the question but one of the things tha strike me with management and leadership and the way that you knov all the things that I talk about that's all very well but if Governmen agenda, it does not keep up with it or support it, it becomes a intolerable tension and how can we actually effect the cultural chang and that's an example and I'm sure everybody think the same thing tha as CEO's in the public sector, we find it enormously difficult to actuall manage the work related problems we have because the Governmen policy does not support it, voluntarily redeployment is the example tha I'm sure everyone has probably talked about.*
	♦ Gov's policy agenda	– As above

9.	To what extent does CEO peer interaction take place in the public sector?	
		– fairly strong
		– have been looking for contacts in the last five years
		– now have more male colleagues
		– all levels and ages
		– *I look for and seek out opportunities to talk about management/leadership. I'm very interested in it but I think more than that, I think so many are struggling. I feel like if there are not a lot of people who are willing and generous enough to actually be there - how can we ever change it ? We could all just sit back on our boxes and not do anything but you have to be willing to get out there, you know participate and collaborate well with people.*

10.	CEO reaction to selection process factor and political agendas	
	♦ selection process	– less anxious – **good idea to be on a contract, the organisation has** **options**
		– *....if I'm doing my job well and I'm confident then I should be able to retain it in an interview process and I suppose then if for instance, if I'm doing well but because of political experience I'll lose it then I think most I would personally be quite happy to lose it. I don't think I really want to hang around when I'm politically unpopular or unwanted. So I think I'm probably not a good person to ask that I've alway sort of felt, and with my senior staff, I like them on contract and I don't really have too much against the process and if people don't want me I'd rather be going anyway.*
		– *the issue with this is who in the hell is assessing whether we have done a good job or not? The problem with this is I can do a terrific job but it's contrary to what my Minister wants then none of that is going to matter. It's very, very difficult.*
	♦ political agendas	– very difficult, **everyone is expendable**
		– *it's extraordinarily difficult and at the end of the day I mean it's also very difficult to talk about issues as you can imagine but I have no doubt whatsoever it would not matter how well I did my job and if it's for whatever reason I would be expendable and I think surely we have to, at this level and these jobs, we would have to have that mind. I mean it would be naive to think differently.*

11.	What impact if any and why?	
	♦ length of service	– no effect
	♦ limited breadth of CEO	– no effect
	♦ security of position	– would have an impact – staff perception e.g. authority, industry response
	♦ large Vs small agencies	– could do but not crucial
	♦ sector experience	– **not sure, possibly – not a huge issue**

222

♦ gender	– no
♦ young Vs older CEOs	– **age correlates with experience** – *I think often age correlates with experience and I think those 2 things together really mean that well, it should not be an issue I think that you do need to be a certain age, you have a certain experience and that probably means that you're going to be at least in your forties and probably in your late forties before you get enough experience*

OTHER